Nippon Times

No. 16,447 (THE 20th YEAR of SHOWA) TOKYO, TUESDAY, JANUARY 2, 1945 Price 25 Sen

HUGE BATTLE RAGES BETWEEN MOSELLE AND MEUSE SECTOR

All Enemy Counterattacks Against Both Flanks of Reich Positions Foiled

Domei

BERLIN, December 31.—The big winter battle between the Meuse and Moselle is now involving more than half of all the divisions of both sides stationed on the Western Front and is concentrated on a narrow front of about 50 kilometers, the Fuehrers Headquarters announced today. Front dispatches said that all enemy counterthrusts against both flanks of the German penetration area were frustrated yesterday.

The German High Command said that heaviest fighting took place in the Rochefort area as well as southwest and southeast of Bastogne. It was also reported that American attacks were especially strong against the German ring of encirclement south of Bastogne, but that all attacks were repelled. It said that the German pincers gripping the beleaguered American troops are becoming ever tighter with new formations adding weight to the huge German vise grip.

American formations continued their flank attacks against the north and south rims of the German penetration area but all attempts were frustrated during the past 24 hours. American attacks against the ramming point of the German wedge were also foiled.

On the remaining sectors of the front the lack of American fighting personnel was especially noticeable. The German offensive in southwestern Belgium has drained almost dry the American positions at the Saar front and it is reported that only seven infantry divisions are stationed sparsely on the front between Merzig on the Saar and the Rhine.

German shocktroops are constantly attacking the Americans in this sector and inflicting heavy losses while American retaliation has netted negligible results. Three American shocktroop forces were repelled yesterday but generally fighting activity was restricted to artillery duels.

All Soviet attempts to overrun Budapest from all sides were frustrated again yesterday and disconnected Soviet attacks between Drava and the southern border of Slovakia made little headway, the Fuehrer's Headquarters announced today.

Soviet Attempts Foiled

Domei

BERLIN, December 31.—Despite heavy street-fighting which has been going on since December 24 when Soviet tank wedges penetrated the northern suburbs of Budapest, and completely isolated the German garrison by cutting the only highway remaining between Vienna and the capital, the stout German-Hungarian garrison still holds out in the center of the city inflicting heavy losses on the attackers.

After a week of bitter house-to-house fighting, Soviet troops have reached only the defense ring around the Hungarian capital. The front has been shortened in some Budapest suburbs and the Soviets have pounded out a huge dent in the front at Buda, but Soviet tank infantry has not yet reached the center of the city. Heavy street-fighting is still raging and Soviet tanks are paying dearly for every inch of ground.

The German-Hungarian defenders outnumbered by at least five times are using every obstacle and building in their final stand and reports said that the greater part of Szalasi's Hungarian formations are fighting shoulder to shoulder with the Germans.

Most of Buda Taken

Domei

STOCKHOLM, December 31.—Frontline reports said that Soviet forces which stormed into Budapest have occupied two-thirds of the capital's Buda district on the western bank of the Danube but the Germans still held in Buda a strip of ground two miles wide and six miles long and still controlled the entire district of Pest.

U.S. Destroyer Launched

Domei

LISBON, December 30.—The United States destroyer Rowan was launched today, at the Todd Dock-[illegible] Seattle, it was announced on the same day by the Navy Department, according to a Washington dispatch.

BRITISH PAPER URGES REVISION IN STRATEGY

Anglo-American Non-Cooperation Held Cause For Failure To Check Germans

Special to the Nippon Times

STOCKHOLM, December 29.—Lack of cooperation between General Dwight Eisenhower, Supreme Commander of the anti-Axis Invasion Forces and Field Marshal Bernard Montgomery is held as the reason for the failure of the Anglo-American armies to stem the avalanche advance of the German troops on the Western Front by the British magazine, News Review, which demands that something be done to revise the anti-Axis strategy and closer cooperation between the American and British military commands be effected.

General Eisenhower, in his judgment made one or two errors; notably the dispersal of his forces along the 4450-mile front instead of concentrating them for one massive breakthrough into Hitler's Reich.

Troops and supplies are being used on those battlefronts were undecisive results are being achieved at the expense of other sectors crucial to the defence of Germany and where the Germans had deployed their crack divisions.

Not for weeks had Eisenhower conferred with Field Marshal Bernard Montgomery, a soldier with a magnificent record of hardwon victories and whose men had been given the job of cracking open the strongest German defences in the west.

Sensing the urgency of the situation, General Eisenhower last week made an overdue trip to "Monty's" headquarters, took tea with him in the doctor's house, and went into a secret conclave.

There was just the possibility that between them they could rectify the position but to outside observers it all seemed very late in the day, and among those best able to assess the position, two conclusions were reached: 1) There was now little chance of settling Adolf Hitler's Germany before the year's end and 2) Chances of victory in 1945 were largely dependent on the Soviet Union's long-heralded winter offensive. Paradoxically it is the western Allies who are now asking, "Where is the second front?" Possibly the Red Army is waiting for the ground to harden.

New Yank Transports Set

Domei

LISBON, December 29.—The United States Navy Department disclosed that new, speedy, and well-armed assault transports now in production at Pacific Coast dockyards will replace the crowded and ill-equipped converted passenger ships now being used to carry the invasion forces, according to a dispatch reaching here from San Pedro, California. Captain Abernethy who is in charge of fitting the vessels and training the crews at San Pedro harbor said, "Great things are expected from the new craft. It is altogether a new idea and is designed to hurl ground forces ashore so fast and in such great numbers that initial enemy resistance will be quickly overwhelmed." The transports are small and compact with air-conditioned cabins, the report further disclosed.

Chiang Marks New Year

Domei

LISBON, January 1.—In a New Year's speech to the Chungking people today, Chiang Kai-shek stated that he was prepared to adopt a constitutional form of government with administrative power passing from the Kuomintang to the Chungking masses instantly the war conditions in China permitted such state of affairs without waiting for the end of the war, according to a Chungking dispatch.

CONFIDENCE IN VICTORY REITERATED BY GOERING

Addresses Stirring New Year Message to German People; Speer Lauds Workers

Domei

BERLIN, December 30.—Full confidence in victory under the leadership of Fuehrer Adolf Hitler was reiterated today by Grand Marshal Hermann Goering, Reich Air Minister, in his New Year mesasge to the German people. In a similar message, Albert Speer, Reich Munition Minister, highly lauded the superhuman efforts exerted by the German workers on the home front to increase war production. He declared that "When the history of this war is written, the unprecedented work performed by the German armament workers will figure beside the heroic deeds of our soldiers."

Grand Marshal Goering's message follows:

"A year of hard trials, immense efforts and heaviest sacrifices lies behind us. All this, however, has been mastered by us. Our army has repelled the enemy attacks at the Reich frontiers. Today, at the turn of the year, our army is again attacking on the Western Front.

"In accordance with the Fuehrer's will, everybody and everything is working in the interest of the war. New weapons are already being employed against the enemy and have shown to be a heavy burden to him.

"We know what our enemies would do to us if we were to become tired and weak. Germany would be treated worse than those states who prematurely and cowardly laid down arms for empty promises by the enemy, and who betrayed Europe. They were promised liberty. Instead, civil war, chaos, misery, and hunger were given to them. The allround confusion has never been greater in Europe than it is now. What could Germany expect from her enemies if they were to enter the Reich as conquerors?

Our task and duty in the new year is to prevent this and to carry the attack again into the enemy territory. The German people and her leaders are not responsible for this terrible war. For decades our enemies have pursued us with their hatred and will to destroy us. Their policy of encirclement brought about the first World War. Germany has been refused equality in all sectors. A new coalition was formed with the intention of destroying Germany. Our adversaries have forced the sword into our hands and before we put it aside German liberty must be secured for ever.

"It is certain that the coming year will be hard. It is, however, just as certain that under the leadership of the Fuehrer we shall win victory and peace. The motto for the new year is: 'In defense and attack, we shall fight as Germans fight.'"

Minister Speer's message follows:

"The heaviest demands in our armaments since the beginning of the war were made in 1944. Together with those in charge of the industry the armament worker had to increase production despite heaviest enemy bombing raids. When the history of this war is written the unprecedented work performed by the German armament workers will figure beside the heroic deeds of our soldiers.

"German workers! With your readiness to work you have created the prerequisites which enabled our soldiers to halt the enemy on the Reich frontiers. Managers of the works! With your personal responsibility and work in war production you have obtained achievements which were decisive in this war. Scientists and technicians! Our technical progress was due to your untiring work in the laboratories and offices which resulted in the superiority of our weapons. German women in the armament factories! At the decisive hour in our fight for liberty you have come to us and set free many able-bodied men.

The coming year will make further heavy demands on us. The task facing us must be completed successfully. The object of our work is a free and victorious Germany."

Arduous Year Seen

Domei

LISBON, December 30.—Francis Forde, Australian War Minister, in his New Year's message said that Australia must look ahead to "at least two more years of arduous warfare against Japan," according to a Canberra dispatch.

He said that all events indicated that 1945 will be one of the most difficult years of the war and claimed that the Australian forces will play a vital role in the operations yet to be fought in the Philippines.

Enemy Loses 550 B-29's, 4,000 Men At Hands of Japanese in 6 Months

The Air Defense Units on the Japanese mainland have obtained truly remarkable results from the time B-29 planes, making their appearance over Japan Proper for the first time, raided North Kyushu on June 16, last year, says the Asahi.

During the period from the first attack on North Kyushu till the end of last month, the Air Defense Units shot down 158 B-29's, inclusive of those whose destruction was unconfirmed, and damaged 146.

Stirring, indeed, are the deeds of the Air Defense Units which have shot down and damaged a total of 304 B-29's in the short space of a little over six months.

The enemy has lost many B-29's as a result of attacks by Japanese Army and Navy airmen on the Marianas, Chengtu and Calcutta. A conservative estimate puts the number of B-29's blasted and set afire at these airfields in the past six months at about 240. The picture of the enemy's losses of B-29's will not be complete unless those which have been forced down by engine trouble on the sea or on the China continent are counted.

The grand total of B-29's which were shot down and damaged by the Japanese Air Force from June 16 till December 31 last year was approximately 550.

It is said that of late the enemy has been turning out B-29's at the rate of nearly 1,000 a month. But the fact remains that the enemy's 20th Bomber Command has been dealt a great blow which is all the heavier because it was dealt at a time not long after it was brought into existence. More than the B-29's the losses of personnel were certainly a far greater blow to the enemy.

Usually a B-29 has a crew of 13, composed of a pilot, one assistant pilot, one navigator, one wireless operator and concurrently a bombardier and concurrently gunner, five full-time gunner and one other who is the commander of the formation when the plane operates with other planes, or a war correspondent as the case may be. There are cases in which a B-29 is occupied by 12 men and there is no commander of the formation or a war correspondent. There are even cases of only 11 men on board a B-29.

On the calculation that there are 12 men on a B-29, as many as 3,648 enemy airmen have lost their lives when their bombers were shot down or damaged by the Japanese Air Defense Units in the past six months. Count is not made of the casualties suffered by the enemy as a result of forced landings by the planes on the way from their raids on the Japanese mainland. There must also have been many casualties aboard planes which were even undamaged judging from the accounts of enemy war correspondents. One of these stories told of how the gunners got killed on board a B-29 which was undamaged. Another related the fact that a B-29 was rescued 12 days after it was forced on the water. Still another declared that there were several casualties on a B-29 which made a forced landing on the sea due to fuel shortage.

It is safe to say that the number of enemy airmen who have lost their lives in their attacks against the Japanese mainland in the past half year is in excess of 4,000.

General Henry H. Arnold, Chief of the United States Army Air Force, laid down the conditions to be filled by the men before they are enrolled in the 20th Bomber Command at the time it first came into existence. The first condition was a wealth of experience in actual warfare. Reports to hand indicate that there has been a steady deterioration in the quality of the men belonging to this Bomber Command, and that a large proportion of them today are unskilled.

GERMAN CAPITULATION WILL NEVER TAKE PLACE

Peace Unthinkable So Long As Present Enemy Leaders Exist, Reich Press Chief Avers

Domei

BERLIN, December 31.—Pointing out that Germanys capitulation would never take place, that a nation and people who had passed through such trials as Germany had suffered during 1944 could not think of giving in, Dr. Helmut Suendermann, German Acting Press Chief, declared to foreign press representatives on December 29 that peace was unthinkable as long as men as Prime Minister Churchill, President Roosevelt, Henry Morgenthau, Secretary of the United States Treasury and Sir Robert Vansittart, Economic Adviser to the British Government, existed.

Germany, he said, had had to stand the onslaught of three big powers during the past year. Furthermore, these powers had connections within Germany herself as was revealed on July 20 this year. However, five months later Germany was able to grasp the initiative once again.

Dr. Suendermann stated that the confidence of the German nation was today greater than ever before. The second half of 1944 had produced many surprises such as the remarkable V weapons and the offensive in the West, which was a good beginning for the revival of Germany's military power. It would be the morale of the men on the fighting lines, he pointed out, which would decide this war.

During the last year, he continued, political lessons had followed immediately after military lessons. The enemy had nothing to offer, judging from the experience gained, than oppression and chaos. On Germany's firm stand depended the future of Europe, he said. Contrary to the aims of the United States and the Soviet Union, which countries were bent on destroying Europe, Germany desired to cooperate with the European nations.

In conclusion, Dr. Suendermann declared, "Whether a European, that is, a German victory, will take place in 1945, I cannot prophesy, but there is no doubt that this victory must and will come."

Mexican Unit for Front

Domei

LISBON, December 30.—The Mexican Senate, today, authorized President Avila Camacho to send Mexican troops to the battlefronts, according to a Mexico City dispatch. This authorization applies primarily to the 201st aviation squadron of 300 members now at Greenville, Texas in final stages of combat training.

LUBLIN POLES ORGANIZE PROVISIONAL GOVERNMENT

Exile Regime in London Brands Attempt to Assume Power As 'Lawless Act'

Domei

STOCKHOLM, December 31.—A new Polish Government was formed today when the National Council of Poland assembled in Lublin and voted for the transformation of the National Committee of Liberation into the sole legal authority of Poland as the Provisional Government of the Polish Republic, the Lublin radio announced today.

The announcement said that the new Government will be headed by Morawski who until now had been President of the National Committee of Liberation. It said that he will also assume the post of Foreign Minister.

Meanwhile a Reuter dispatch from the British capital said that the exile Polish Government in London immediately issued a statement describing the assumption by the Polish Committee of Liberation in Lublin of the title of Provisional Government as "an act of lawlessness."

Accusing the Committee of destroying all democratic liberties in the area under its administration, the statement said that the Polish Government in London emphatically protests against "this attempt to steal the sovereign rights of the Polish nation which will never recognize any authority of a totalitarian nature."

USE MOVABLE AIR BASES

Yanks in China Evolve New Idea to Overcome Transport Problem

Domei

LISBON, December 28.—The Headquarters of the U.S. Air Transport Corps in China announced on December 26 that self-sustaining movable air bases are now being used for the first time in China, The New York Times correspondent in Chungking reports.

"These movable air bases are being utilized to move men and materials from one spot to another in China and India. Where land transport facilities are poor as in southwestern China and other areas of operations in the Continent, the movable bases are being used to meet the need of stupendous amount of air transportation," the correspondent stated.

CHEN VOICES RESOLVE OF CHINA IN MESSAGE

Determination to Throw Full Weight Into War Expressed In New Year Statement

Domei

NANKING, January 1.—Chen Kung-po, Acting President of the National Government of China, in a verbal statement made today in greeting the New Year, voiced the National Government's determination to throw its total energies into the decisive battle which is now in progress.

Mr. Chen urged the people to mobilize their entire strength for the decisive battle and thereby to fulfill the great mission of successfully carrying on the War of Greater East Asia, constructing of the Greater East Asia Co-Prosperity Sphere and of reviving China. He recalled the five principles which he set forth on November 20 of last year when he assumed the office of Acting President; first, the destruction of Anglo-American Imperialism, second, realization of the inseparability of East Asia and China's domestic unity, third, maintenance of official discipline, fourth increased production and fifth, the unification of military and political administration.

Mr. Chen said these were all principles originally formulated by the late President Wang Ching-wei and represented goal to which the entire nation aspired. Mr. Chen exhorted the people to rejuvenate the country in observance of these principles in order thereby to realize real indepehdence and peace

Mr. Chen candidly predicted that commodities will become daily more scarce and people's living more difficult. But final victory will come to a country possessing the spirit of fortitude and perseverance, Mr. Chen asserted.

"To achieve China's freedom and liberation," said Mr. Chen, "we must always abide by the principle of fortitude and be united as one body." He warned that unless China exerts her utmost at this time, she will either be turned into an Anglo-American colony or totally be bolshevized. In such an event, the repudiation of the unequal treaty, retrocession of foreign concessions and abolition of extraterritorial rights might become null and void, Mr. Chen cautioned.

Mr. Chen urged the people to exert their utmost in this hour of crisis, realize total peace, exterminate Communism, expulse Anglo-American influences in China, abide by the Sino-Japanese Treaty faithfully and thereby achieve real independence and freedom for China.

U.S. ADOPTING NEW POLICY

Returning Likely to Isolationism, Says British Correspondent

Domei

LISBON, December 31.—The United States may return to isolationism and reject all her responsibility or obligation for Europe, the diplomatic correspondent of the News Chronicle wrote today.

He stressed the fact that the American public is now writing in a state of confusion regarding European politics and that the State Department has done nothing to refute the assertions that Prime Minister Winston Churchill and Premier Josef Stalin had divided Europe into spheres of influence behind President's Roosevelt's back.

In his article, the correspondent pointed out that official quarters in Washington are in possession of the exact Teheran protocol as well as those of other conferences. He said that the new "hands-off" policy adopted by the United States may be regarded as a sign that Washington will probably reject any responsibility or obligation for Europe which in turn may lead to the rebirth of isolationism in the United States.

Catroux Gets Moscow Post

Domei

LISBON, December 30.—The De Gaulle regime has appointed Georges Catroux, former Governor General of French Indo-China, as Ambassador to Moscow in accordance with the stipulations of the agreement signed with the Soviet Union, it was announced on Friday, according to a Paris report.

6 Enemy Ships Sunk

Domei

BERLIN, December 31.—During the last days of 1944, German submarines in their war against enemy shipping sank six transports totaling 25,600 tons in the waters off the British coast, it was disclosed today. One ship sunk carried a full cargo of munitions.

WRANGLING WITHIN U.S. DANGEROUS, SAYS DAVIS

WIB Director States Futile to Continue War Unless European Borders Decided

Domei

LISBON, December 30.—At a time when the United States is engaged in a life and death struggle with Germany and Japan, nothing can be more dangerous than to waste time wrangling over matters of little importance, declared Norman Davis, director of the WIB in a radio speech on December 30, according to a New York dispatch.

Amazing developments are taking place in Europe, stated Davis, and an idea is arising that unless the national frontiers of Europe are agreed upon in advance and the moral sense of the anti-Axis is roused, it will be futile to continue the present struggle. But the matter of first importance for the United Nations is to win the war, toward which end everything must be directed, asserted Davis.

The opportunity of victory will be lost unless something positive is done, the director of the WIB said.

Cannot Aid Europe

Domei

LISBON, December 30.—The United States is not in a position to fulfil its promise to provide food relief to countries occupied by the anti-Axis, Herbert Lehman Director of the United Nations Relief and Rehabilitation Administration, said in a press conference yesterday, according to a Washington dispatch.

He said that the organization's relief was delayed by the shortage of shipping space and inadequate transportation as well as actual shortage of foodstuffs, the report added. The lack of cooperation between the UNRRA and the Soviet Union was mentioned by the Director as one of the reasons for the organization's failure to help countries in Europe occupied by the anti-Axis.

Lehman pointed out that the plan of relief for Poland occupied by the Soviets had been ready for some time but that it had been impossible to ship foodstuffs to that country because the Soviet Government had not given permission as yet for the use of Soviet ports and means of transport.

U.S. Officer Demoted

Domei

LISBON, December 30.—Henry Stimson, U.S. Secretary of War, said today that a certain Major General with the American forces on the Western Front had been reduced to the rank of colonel but refused to disclose his name or reasons for the demotion, according to a Washington dispatch. Stimson disclosed, however, that the incident had occurred after the beginning of the German offensive. He added that other high-ranking officers with the forces on the Western Front had also been recalled during the past months.

Stettinius Seeing Churchill

Special to the Nippon Times

LISBON, December 30.—Edward Stettinius, U.S. Secretary of War, is expected to meet Prime Minister Winston Churchill and Anthony Eden, Foreign Secretary, to obtain first hand information of the Greek civil war, according to a Washington dispatch. London is reported to be the probable meeting place.

Hitler To Speak

Domei

BERLIN, December 31.—Fuehrer Adolf Hitler is scheduled to speak to the entire people of Germany for several minutes from the Fuehrer's Headquarters at noon tomorrow.

33 WARCRAFT LOST BY ENEMY'S CONVOY IN P.I. BATTLE ZONE

Wreckage of Many American Planes Seen at Airfields In San Jose Area

Continuous attacks are being made by units of the Japanese Army and Navy Special Attack Corps as well as other Japanese Air Forces on the U.S. reinforcement convoy which penetrated into the Sulu Sea in an attempt to reach Mindoro Island despite the fact that it has already lost a total of 33 war vessels, including four cruisers, 27 transports, one destroyer, and one torpedo-boat sunk or damaged.

In parallel with the aerial assaults on the enemy fleet off Mindoro Island, Japanese Wild Eagles are also continuing their raids on the airfields at San Jose where the American troops landed on December 15.

According to a Japanese reconnaissance flight, there were only 10 large planes parked at the south airfield at San Jose on the morning of December 31. Also, there were seen the wreckage of 40 other aircraft which had been blasted in Japanese attacks.

At the north airfield at San Jose, 12 small planes were seen parked on the ground which was strewn with the wreckage of 20 others which had been blasted by our Wild Eagles.

As to the enemy fleet and convoy in the waters near San Jose, two transports which were either stranded or burning were observed in the bay south of San Jose according to a reconnaissance flight made on December 30. In the same bay, two other transports were seen in flames and it is believed that they have sunk.

Meanwhile, no enemy warships were observed off the east coast of Mindoro Island.

Leyte Bases Bombed

Special to the Nippon Times

PHILIPPINE BASE, January 1.—Units of the Japanese Air Force attacked the airfields at Dulag and Tacloban on Leyte Island on the night of December 30 and blasted military establishments at several places, and machine-gunned a group of small war vessels near Dulag. All the Japanese planes returned safely.

About 10 large enemy planes attempted to attack Davao during daytime of December 30 but Japanese Units on the spot shot down one raider and repulsed all the others.

Cebu was the object of a raid by about 20 B-25 bombers on the following afternoon. In this combat, Japanese Forces downed one of the attackers.

Blast 5 Warcraft

By M. NAGAI and H. OMORI
Of the Military Press Corps

PHILIPPINE ADVANCE BASE, December 31.—Japanese Air Units have been directing furious attacks day and night against the enemy convoy which penetrated into the Sulu Sea with the aim of supplying the landed troops at San Jose on on Mindoro Island.

Again, yesterday afternoon, five planes of the Shinshu Unit hopped off from a certain base to smite the enemy. Sighting an enemy convoy fleeing in the waters west of San carried out ramming attacks and sized instantaneously sank two cruisers or large destroyers, sank one large transport and set ablaze another another medium-transport in the Mindoro Straits. The remaining plane which also attacked the fleeing enemy, heavily damaged and set afire one medium transport, and returned safely to the base.

Dive Bombing Attack

Domei

PHILIPPINE BASE, December 31.—Japanese Air Units stormed over the San Jose north airfield, Mindoro Island, at midnight yesterday and despite furious enemy anti-aircraft fire carried out daring dive bombings. All Japanese planes returned safely.

San Jose Blown Up

Special to the Nippon Times

PHILIPPINE BASE, December 31.—Japanese Air Units at daybreak of December 28 raided the airfield at San Jose on Mindoro Island, blasting several places there besides sinking one enemy vessel in nearby waters.

[illegible]E TAKES STEPS TO COMBAT INFLATION

[illegible] 'Liberation Loan' Is First Move to Restore Stability to Currency

Special to the Nippon Times

STOCKHOLM, December 29.—The first step of the French Government in avoiding inflation was the announcement on November 4 of a Liberation Loan, according to articles in the Economist of November 18 and 25 and The Time, London, of November 4. The substance of these articles follow.

The liberation loan relies on the voluntary cooperation of the people without such drastic measures as those of the Belgian Monetary Plan. No limit has not been fixed for the total loan, but it has been authoritatively hinted that at least 100 billion francs must be subscribed.

Since 1938 the Bank of France note circulation has risen from 109 billion francs to something over 600 billion for February 1944.

The total of currency and bank deposits has risen about five-fold. The withdrawal of 100 billion francs would not be enough to stabilize currency. But, even the withdrawal of 100 billion francs from circulation would leave a considerable margin of redundant currency in circulation and therefore a persistant pressure on prices and a stimulus to black market activities.

During the German occupation of France, the general level of wages was kept under control at about 43 per cent above the figure at the end of 1938. One of the first steps of the new French Government was to allow a general 40 per cent increase in wages as an essential adjustment to the rise in the cost of living.

The present index of wages would, therefore, appear as being exactly double the figure at the end of 1938. Allowing for an undervaluation of the franc in 1938 and for a subsequent depreciation in its exchange, the value of French wages index should stand at around 190 in order to keep pace with the rise in the British figure of 145.

The difference between that and the actual figure of about 200 is not such as is causing concern. In any case the volume of money is not only the factor in equation.

The aim of the funding operation is not bringing about the final adjustment between the franc and the pound and the dollar. The attempt at handling the problem by voluntary means is commendable, but it would seem likely that more drastic handling will be needed.

The Liberation Loan should only be the first step. The second part of such a scheme should be the drastic measure of a retrospective taxation of war profits.

The third chapter of the plan for monetary rehabilitation must be for an expansion in economic activity and in the volume of consumer goods that must under pin the value of the currency. Owing to circumstances this third chapter will inevitably prove a long and a difficult one.

A fortnight after the opening of the subscription lists General de Gaulle appealed to the people in a broadcast insuring that the 3 per cent Liberation Loan will be not only a success but a triumph of confidence of the French people in France. He emphasized that the essential threat to financial stability is arising from excessive holdings of cash, and he appealed to their national pride by asking what status and what place France would have if she appeared to her Allies as a country unable to put her affairs in order.

At the end of last month the Government hailed the bond issue as "a success" and De Gaulle pleaded that it be turned into a "triumph" after 150 million francs had been subscribed. But skeptical French financier flatly called the loan a failure. They passed along the gossip that two-thirds of the bonds were apparently bought by firstly, Belgian money fleeing drastic deflation measures is the country; and secondly by German-French holdings built up in the occupation and coming back into France via Switzerland.

Despite the Gentleman's Agreement, black market profiteers, many of them peasants and industrialists, were either holding their cash or absorbing goods and non-traceable assets at any price.

Against large quantities of old notes, which were taken away by the German's and active collaborators and finding their way to the [illegible] market in Switzerland, the French Government may be compelled to suspend legal tender attributes of notes in their present form and either require their conversion into a new issue or at least their stamping with some distinctive mark of a new French authority.

Meanwhile the Economist of November 25 and the Tagensnyheter of November 25 reports that the French Government had decided that the exchange rate be 15 francs per German Reichsmark for the liberated parts of Alsace and Olteringen.

British observers declare that this rate has been suggested by France and without any coordination with American and British rates of 200 francs and 40 Reichsmark per pound and the corresponding value for the dollar.

According to the exchange rate fixed by France 600 francs is equal to one pound. With the official franc rate of 200 francs per pound, the French exchange rate should correspond to thirteen one-third Reichsmark per pound instead of the 40 Reichsmark now put in practice.

There are huge disparities, but the Economist is of the opinion that the French rate of Reichsmark corresponds better to the real market situation than the English-American rate. Of course it is very difficult to carry out such an exchange across the battlefield, but still it is not difficult enough to discourage the people from trying to earn such profits.

The British opinion is that special control measures must be introduced between the different zones of the Western Front in order to prevent unfair profits.

Enemy Is Repulsed In Attempt to Move East From Kalewa

By a Member of the Military Press

BURMA FRONT, December 31.—Picked Units of the Japanese Forces repulsed a part of the enemy's 11th East African Division that attempted to move eastward from the Kalewa area at a point 30 kilometers west of Cadoma (25 kilometers northwest of Ewe) on December 24. Since that time furious fighting has developed as the result of Japanese counterattacks to crush the enemy attempt. The sally was made by several hundred enemy troops with the protection of several tanks. Augmented by reinforcements of several score tanks, 300 trucks and 3,000 men on December 28, the enemy is making desperate efforts to break through the Japanese line, but the Japanese Forces, also reinforced, are at present engaging the enemy in violent fighting.

P.I. OBSERVES RIZAL'S DAY

Memorial Mass Held in Manila to Honor Great Filipino Hero

Domei

MANILA, December 30.—As the Battle of the Philippines is continuing with undiminished furiousness while the Filipino people are offering their utmost cooperation to the Japanese Armed Forces, the observance today of Rizal Day took form with a strictly religious character.

Archbishop Michael J. O'Doherty of Manila this morning officiated at the memorial mass at the Holy Rosary Church. Other religious orders held masses or religious congregations dedicated to the hero of the Philippines.

In the spirit of the quiet observance today, Military Governor Leon G. Guinto ordered the postponement of the program which was to have been held in connection with the distribution of prizes to the winners of the essay and picture contests on "Is There A Filipino Nation?"

Meanwhile, the Tribune editorially posed the question to the Filipino people "Did Rizal die in vain?" and asserted the war situation gives "freshness to the query and now demands an answer revised according to the manner wherein the Filipino nation has withstood the test of great emergency."

"If our answer in deeds is in the affirmative then we are securing the everlasting freedom and national solidarity of our Republic, and since such a condition has been the ideal for which Dr. Jose Rizal offered his precious life, then it naturally follows that Rizal did not die in vain."

CHURCHILL'S DEFEAT NOTED

Wilhelmstrasse Ridicules British Leader's Visit to Athens

Domei

BERLIN, December 29.—With some satisfaction the Wilhemstrasse takes note of the failure of Prime Minister Churchill's mission in Athens. The spokesman declared Churchill had suffered a dismal defeat, that no agreement was reached, and that shooting is still in progress in Athens.

He pointed out that at the moment when Churchill arrived in Athens, it was announced by a Reuter's diplomatic correspondent that the political solution was already prepared and only needed to go into effect in Churchill's presence. The spokesman points out that the British Foreign Office evidently had made a sad mistake and opines that just as Churchill had to call on the Greek King, the ELAS will travel to Moscow to get instructions.

The meeting of British Foreign Secretary Anthony Eden, United States Secretary of State Edward Stettinius and Soviet Foreign Commissar Vyacheslav Molotov as announced by Reuter points to the fact that it is no longer a matter of the ELAS. Why otherwise would Molotov's presence be required, the spokesman asked.

MACHINE TOOL INDUSTRY IN U.S. LACKS MANPOWER

Speedy Reconversion to Peacetime Production Doubted by Wall Street Journal

Special to the Nippon Times

LISBON, December 29.—Lack of key machine tools may prove a big stumbling block to a quick reconversion to peacetime production, mainly because the machine tool industry is short of a few thousand men, the Wall Street Journal declared recently. Thus, the machine tool industry which employs 58,000 men today, may prolong unemployment, it was added. Continuing, the journal stated:

Before large mass production industries can make such things as automobiles, refrigerators and washing machines, they must obtain relatively small number of key machine tools. These critical tools are not being built. It takes three to six months to manufacture a tool after the engineering work begins. The hub of the problem is that machine tools are no longer classed as a critical product. The secondary problem is the purchasing of the component. It is hard to get enough of certain items to keep up with the war requirements.

Back of today's problem is the conclusion reached by the War Production Board and the army in May, 1943. The War Production Board at the time said that the country was fully "tooled up" for the war with the exception of few special programs. The industry then was turning out over $110,000,000 worth of tools monthly. As a result of this conclusion the industry was advised to convert from making tools to miscellaneous war items. The industry's government advisory committee, however, recommended to the War Production Board that machine tools production be underwritten to maintain the capacity of the industry. The recommendation was ignored and plants took on outside work. One builder converted to 90 per cent non-tool production.

From a growth of a monthly peak of $131,000,000 in December, 1942, machine tools production declined until it is now running at a rate of about $35,000,000 a month. Reflecting the difficulty of boosting the output, shipments have been running below new orders since April, 1944. Each year a sizeable bulge in demand developed when the army undertook a new shell program. Currently, there is another rise in war orders for tools to make the item found necessary as the result of new German weapons encountered in France.

The shortage of engineers is probably the biggest obstacle in making a changeover. During the war there has been a marked trend toward the use of standard machine tools instead of special purpose machines of standard models with a lot of special attachments. With the cost of a minor consideration, during the war standard machines work all right, and moreover they can be manufactured more quickly. But cost is so important in peacetime work that more economical models are again needed. In most cases it is these high production machines that are needed before conversion can be completed and much more engineering is required on these than on standard models.

Getting ordinary workers is a problem too. In most tight labor areas the referral system operates against machine tools builders too. Because the industry is not considered critical, workers are referred to other industries. The Industrial Advisory Committee gave notice to the War Production Board that war programs and manufacture of machine tools for peacetime will be seriously affected unless there is some assistance with manpower problems.

The other shortage is materials. One of industry's big problems when the country was getting ready for the war was to find out just what was needed. The Iron Age estimates at least 50 per cent of the current new orders are for equipment which will be used in peacetime production.

Reflecting the rise in the style of order together with the heavier demand for tools for war products, the backlog of unfilled orders at the end of August was $195,000,000 compared with $153,000,000 on March 31, 1944—a low point.

The War Production Board reported on September 29 that the shipments of machine tools in August increased seven per cent in value over July. August shipments were valued at $35,000,000 as compared with $327,000,000 for July.

Krug declared on October 1 that the Government cannot grant the new appeal of automobile manufacturers for priority on machine tools to give industry a fast start on passenger cars after the German collapse. Record-breaking munition schedules for the rest of the year stand in the way of a proparatory move, it was explained.

"If the War Production Board did that for the automobile industry, we should have to do it for all other industries. We do not have the manpower now to make machine tools," Krug said.

Most of the manufacturers estimated that it would take six to eight months to start passenger car production if a European victory came tomorrow or three to four months if all the necessary preparatory steps could be taken in advance.

Churchill's Greek Gift

Churchill's Speech on Polish Question Raises Storm of Protest in U.S. Circles

The speech of Prime Minister Winston Churchill concerning the Polish question on December 15, coming at a time when universal dissatisfaction was felt with the policies of the British Government toward Greece and Italy, caused a great storm of protest.

Some quarters declared that Britain had bowed to the Soviet Union and sold out Poland. Others held that Prime Minister Churchill's speech had made it clear that the foundation of the unity between the three principal anti-Axis countries was much weaker than had been generally imagined since the time of the Teheran Conference.

The opinion made headway in many quarters both in Britain and other countries that the latest events revealed that the foreign policy of the British Government had been brought to an impasse and that this was why the British Prime Minister and Foreign Secretary are taxing their brains how to get the leaders of the three principal anti-Axis countries together to discuss common questions of urgency.

U.S. Press Worried

In America various newspapers on December 16 took up the question of closer unity between the principal countries associated against the Axis and pointed out that the difficulty experienced by these countries in reaching agreement on this question arose out of the reluctance of the Soviet Union to discuss the Polish question with Britain and America. They supported the desire of the American Government for the heads of the principal anti-Axis countries to meet in a cheerful atmosphere on the Polish question.

The impression of these editorial opinions is that there is a further decline in the popularity of Prime Minister Churchill in America. The opinions of influential American individuals are given below. Senator Thomas T. Connally, Chairman of the Senate Foreign Relations Committee, stated that all important questions of the armistice should not be decided without reference to America.

Senator Robert A. Taft, commenting on Prime Minister Churchill's speech, said that it gave him the impression that the British leader meant to abandon the Atlantic Charter and return to the old policy of power.

Senator Robert R. Reynolds, Chairman of the Senate Military Affairs Committee, regretted that Prime Minister Churchill should be willing to see to that Britain which entered the war for Poland should divide it and reduce it to the state of slavery.

Senator Warren R. Austin insisted that all adjustments of national boundaries should be postponed until the establishment of the structure guaranteeing the peace of the world.

Senator Claude Pepper held that all questions liable to lead to war should be decided by the countries associated against the Axis in a body.

Senator Arthur H. Vandenberg said that it would be outrageous if Moscow and London were allowed to solve fundamental questions without the counsel of America and in a way which would enable them to profit themselves.

American newspapers of December 17 declared that the American Government would not recognize a solution of the Polish question that did not meet with the complete approval of the countries directly concerned in the matter, and thereby restated in clear terms their attitude toward the question. At the same time they indicated that it is the policy of the American Government to avoid a course which might jeopardize the unity of the various countries opposed to the Axis.

Churchill Rapped

They also pointed out that Prime Minister Churchill was wrong when he said in his speech that America had not expressed disapproval of the attitude of Britain toward the Polish question in the past several months. They contended that the American Government has on several occasions communicated its views on the Polish question to the other countries concerned in it.

In responsible American quarters the opinion persists that Prime Minister Churchill's speech was intended to get America to make a statement of policy on the Polish question and divert the attention of the people in Britain from the situation in Greece which is increasing the occasion for them to complain of their Government.

From what was said by the American newspapers it is clear that Prime Minister Churchill's speech is regarded in America as a reply to the action of America in declaring that it had no intention of interfering with the affairs of Italy, Greece, and other liberated countries.

The American Government, according to American newspapers, has made it clear that it has not done anything of which it should be ashamed in the course of the pursuit of its policy toward the Balkans, that it has not made any statement saying that it considered Greece constituting a major British question, and that it has not done anything implying that the agreement concluded between Britain and the Soviet Union was agreeable to it.

The American Government, according to a New York dispatch reaching Stockholm, is greatly agitated over the fact that cooperation is lacking among the three principal anti-Axis countries on important questions of European politics. The dispatch indicates that Prime Minister Churchill is getting much lower in the estimation of American political circles. The same dispatch shows that President Roosevelt has repeatedly made it clear that his attitude toward the Polish question has been such as will preclude him from discountenancing the idea of a free and independent Poland.

In the question of national frontiers, the dispatch shows, America is not much interested, refusing to believe that it is of any great importance. If it is true, the dispatch says, that the actions of the State Department have led Prime Minister Churchill on to tread on a dangerously thin coat of ice, then one will be justified in looking at his speech as at a "hot potato" thrown into the face of President Roosevelt.

There are only two ways open to President Roosevelt if he wants to prevent a fifth carving out of Poland, according to the same dispatch. He will have to run the risk of breaking openly with the Soviet Union or in the alternative to abandon its fixed policy of letting various liberated peoples to have the sort of government desired by them.

It will be seen that as far as America is concerned the Polish question is one that concerns not only Poland but also various Baltic states.

Halmahera Raiders Downed

Special to the Nippon Times

SOUTHWEST PACIFIC BASE, January 1.—Japanese Forces in the northern part of Halmahera Island shot down 15 enemy raiders in an engagement with an aggregate total of 270 planes that came attacking our position on Saturday and Sunday afternoon.

ANCIENT INDIAN MELODIES AND LEGENDS REVIEWED

Reckless Rendering of Music Believed to Cause Broken Limbs

An old Indian legend has it that the great anchorite Narada thought he had mastered the entire art and science of music. That is why the all-knowing god Vishnu desired to curb his pride. He took him to visit the residence of the gods, a spacious building in which numerous men and women were assembled, all of them weeping over their broken limbs. When Vishnu enquired after the reason of their lament, they replied that they were Indian melodies written by Mahadeva. An anchorite by the name of Narada, devoid of a true knowledge of music and thus unable to perform with any degree of skill, had sung them recklessly, they explained. Now their features were distorted and their limbs broken. Only if Mahadeva or some other discreet and able performer would sing them properly, was there any hope that they would be restored to their former wholeness of body. Narada, when he heard and saw this frightful scene, felt a great shame. Abjectly he kneeled down before Vishnu and fervently he prayed to be forgiven.

The legend seeks to explain that what is more important than knowledge is the belief in the divinity of the elements of music, which are irrevocable. They survive time; they are eternal. For old Indian music knows of no development. The old music of India does not appreciate the value of chronological records, which is an integral part of Western culture. For the Hindu, for many, many centuries, his past is like his present.

When we look at the paintings of Ajanta, at the carvings of thousands of years ago, we always see the same motives, the same costume, the same postures, the same almond-shaped eyes, the same symbols of caste and rank, identical methods of technique and never-changing musical instruments.

The Indian believes in the divinity of the Vedas, but he doesn't know any names of the authors. He only speaks of such and such a Rishi, of being allowed to "hear" them the last time they were revealed. Such a Rishi was Narada, who was first privileged to hear the "laws of music." He was associated with Tumburu, who was the first singer, and with Bharata, who was the first to draw up the rules for the drama, a large part of which was formed by music. Be it history or legend, we recognize by that tradition the close connection between the performance on instruments, singing and histrionics, which takes root in the old sacred dance as well. Thus we may assume that, as many other ancient peoples, the Indians had even in their primitive age a general conception of art, in which drama, the dance, music and masks were used. The inhabitants of India's heaven, such as Gandharvas, Apsarasas and Naras, make music, and in later Vedic books they move through water and among clouds. They visit the earth and inhabit especially trees, thus bringing music from heaven to earth. Sometimes they are said to assume the body of a man with the head of a horse, thus reminding us of figures of Greek mythology.

But the loftiest and grandest music moves to the sound of Krishna's flute (Mirali), and dances to the pulsation of Shiva's drum (Damaru). To the rhythm of Shiva's dance the entire creation is said to move, and the Ramayana describes how Krishna, sporting with his Gopis, sets the world a dancing. As the earth reflects the events in heaven, drums and flutes are also reported to have played an important part in the ancient courts of princes. A king of Kanauj was accompanied by several hundred men playing golden drums. They were called music-pace drums, and beat one stroke to each step. Sometimes drums were accompanied by various forms of horns, gongs and cymbals, as for instance, when kings conferred honors upon their leading servants.

Sometimes the drum is something like a lesser divinity. It reposed on a luxurious couch, it was forever being cleaned and rubbed with perfumed earth and garlanded. It was particularly honored when it was sounded to the proclamations of the rulers, and at such times was carried on elephants. While the drum today is still most popular, the flute, which was played by Krishna when he performed among his Gapis, seems to have faded out of Indian music. The reason why it is seldom to be heard nowadays may be that its mellow, soft tone does not appeal to Indian ears.

The old Indian national instrument with seven strings, the Vina, is even more popular. Legend reports that a mediocre musician wanted to learn of some great master who played the Vina. When he found the master, he was told: "Go, my son, this art is not for you." But this musician would not forsake his aim, and was finally taken into the service of a king. When the master became old and feeble, he was afraid that he would never be emulated by his ungifted pupil, but the king of the gods appeared and prophecied: "You will break one string after another, and your music will be as good as before. Then you shall go on playing with nothing but your body. And from the ends of the broken string the sound shall go forth and fill all the land of Benares for the space of 12 leagues." It happened as the god had foretold. The scholar was beaten, and he was stoned and torn to pieces by the populace. This legend symbolizes the then irresistible effect of music, which can cause now good and now evil.

Similarly, music is criticized in diverse manner in various old documents. There is the Puritan view, and the utilitarian view as well. In the Anugita we can find among the "actions of the quality of fashion," which rank with the sins prohibited in the Ten Commandments, "devotion to dancing and instrumental and vocal music." And according to all laws, a student of the Veida must now only avoid ointments, collyrium for the eyes and shoes, the carrying of an umbrella, lust, anger and greed, but, also dancing and music; and the law expressly stresses, that "the sound of the Samaneda is impure."

Just the contrary is stated in an ancient Indian book of politics. Here it is written: "Song, instrumental music, dancing, acting, writing, playing on the Vina, flute and drum, knowing the mind of others, the use of scents and garlands, shampooing, the use of alluring words—those who know all these and can teach them to courtesans and actors, shall be provided with a livelihood by the State.

Among the favorite themes of ancient legends, we find the power of song again and again. We also meet with the myth of the Greek singer Arion. When the minstrel Saggu in search of his Queen, was called aboard a ship to make music, he said: "I would play, but the fish would become so excited that your ship would be wrecked." As the crew of the ship insisted on his singing, he struck up his lute and kept perfect harmony in singing to its accompaniment. The fish were maddened, and a sea monster leapt upon the ship and broke it in two.

Thus we meet a mass of legends which refer to music, to song and to instruments, to the theory and practice of music. The legends go back to very ancient times, but we may take it for granted that in India, the classical country of perseverance, there is no great difference between the musical concepts of the past and the present.

(Times Week, Shanghai)

Fuehrer's Headquarters

December 31

The long-range fire on the enemy supply strongholds of Liege and Antwerp is still continuing.

In the winter battle raging between the Meuse and Moselle, strong forces have been brought up to both sides of the front and fighting is taking place between the areas of Rochefort and Bastogne. The enemy attempted to meet our attack southwest and southeast of Bastogne by strong counterthrusts into the southern flank of our offensive wedge but these attempts were operation alone. 34 enemy tanks were destroyed and the battle is still raging.

On the Ligurian Coast south of Massa, a landing attempt of minor enemy forces was foiled and the enemy left behind numerous dead and prisoners. On the remaining front in central Italy, no operations of importance was reported yesterday.

The Soviets in the Hungarian fighting area between the Drave, Lake Balaton and the southern Slovak border launched only minor attacks after the severe losses which they suffered in the recent few weeks. All these attacks, however, were warded off. Soviet attempts to penetrate Budapest from several sides were foiled by the German-Hungarian garrison at the borders of the town and the Soviets in the defensive battle west and north of Budapest lost a total of 415 tanks between December 20 and 27.

Along the Slovak border, the enemy extended his breakthrough attempts in a northerly direction to further sectors, while enemy attacks between the Gran and the Sajo were repulsed in tough mountain fighting or checked after minor initial successes. Fighting activity on the eastern Slovak front as far as Memel is still of negligible importance. The third battle for Courland after 10 days of fierce fighting decreased in intensity yesterday and enemy attacks at some points collapsed before our defensive fire.

American bomber formations at daytime penetrated west and southwest Germany and they also raided Kassel and Kaiserslautern. In the evening hours, British air formations bombed Cologne again, while nuisance raiders attacked Hanover. These enemy terror raids are being answered by the retaliation fire on London.

Our U-boats continued their heavy fighting against the enemy supply traffic and they again sank in waters off Britain six ships totaling 25,000 tons including a freighter laden with ammunition.

WANTED TO BUY

BOOKS and TYPEWRITERS

please write or phone

KYO BUN-KWAN

Ginza 4-chome, Kyobashi-ku, Tokyo

Tel. Kyobashi 56-7001

BIG CHUNGKING LOSSES FOREBODE DIFFICULTIES

Conscription, Student Mobilization Seen Inadequate to Cope With Dire Situation

Domei

NANKING, December 28.—A total of 700,000 troops and 30,000 tons of supplies is estimated to have been lost by Chungking as a result of the Japanese campaign on the China Continent this year, which began with the operation for the opening up of the Peking-Hankow railway and swiftly extended to Hunan, Fukien coast, Kwangsi and Northern Burma.

Chungking troops which opposed Japanese Expeditionary Forces in China and in Burma numbered scores of divisions, out of which it is estimated that 15 divisions were annihilated, 45 divisions reduced to less than half their strength and 23 division so battered that they had to be reorganized.

The total of Chungking personnel losses, including those killed, taken prisoner and those who voluntarily surrendered, but excepting those wounded or deserted, reaches the huge figure of 709,000. Out of this number, 200,000 were lost in Hunan operations, 300,000 in Kwangsi operations and 200,000 in Northern Burma operations. Comparison with personnel losses of 230,000 in 1941, 210,000 in 1942 and 240,000 in 1943 shows the attrition of Chungking troops this year has been indeed very great.

Furthermore, Chungking lost large areas from which it had conscripted troops hitherto. Potential military strength lost in this way is estimated to be equivalent to eight armies in the Peking-Hankow railroad line sector and 10 armies in Hunan-Kwangsi sector, or a total of 18 provincial armies. Chungking is now confronted with the urgent necessity of replenishing this enormous troops loss and desperate efforts are now being made by Chungking military authorities to cope with this situation. Since the beginning of this year, Chungking revised both the conscripton law and law for the reinforcement of armies, under which some 400,000 troops were extracted from remnant divisions to be retained and reorganized for incorporation into five divisions. Moreover, in the latter part of September a conscription division was established to facilitate the handling of matters regarding conscript.

With the object of raising 100,000 troops among them, students were mobilized. In the early part of October about 300,000 members of the Kuomintang Party were mobilized into the army, trained according to American military methods. All these things reflect in the enemy's shortage of fighting manpowers.

Added to the heavy personnel attrition the enemy sustained in this year's campaign, it is estimated that Chungking lost some 30,000 tons of arms and ammunition which is double that of the previous year. This quantity of arms and ammunition lost was enough to equip about 40 divisions of Chungking troops and replenishment would require almost one year.

Chungking losses of Kweilin and Liuchow, which had been its important centers for the manufacture of arms and ammunition have brought on added difficulties.

Internal strife, due to the Chungking clash with Chinese communists has further impeded measures for obtaining replenishments, and so far, almost no effective result toward this end has been attained. With at least one year required to make up for Chungking loss of fighting power sustained during this year, the future outlook of Chungking's anti-Japanese resistance front appears very discouraging.

The Sumitomo Bank Limited

HEAD OFFICE: OSAKA

Capital Subscribed .... [illegible]
Capital Paid-up .... [illegible]
Reserve Funds ..... [illegible]

President:
HAYASHI OKAHASHI

Home Offices:

Osaka, Sapporo, Tokyo, Yokohama, Nagoya, Kyoto, Amagasaki, Kobe, Wakayama, Okayama, Onomichi, Niihama, Kure, Hiroshima, Yanai, Hikari, Shimonoseki, Moji, Kokura, Yahata, Wakamatsu, Fukuoka, Kurume, Saga, Kumamoto, Oita and Kagoshima.

Overseas Offices:
SHANGHAI & DAIREN

Yokohama Branch:
Honcho 2-chome,
Tel. Honkyoku (2) 6740

Tokyo Branch:
Marunouchi 1-chome,
Tel. Marunouchi [illegible]

HISTORICAL YEAR ENDS FOR FRENCH INDO-CHINA

Semi-Independence Is Highlight, Vital Position in East Asia Realized

Domei

SAIGON, December 30.—The end of 1944 finds French Indo-China apparently wrapped in peace, but actually the 12 months soon to end have been as eventful as the year 1940 when France made a separate peace with Germany. The Anglo-American landing in northern France, the withdrawal of the German troops from France and the establishment of a Provisional French Government are some of these events.

French Indo-China attained semi-independence after the delegation of authority to Governor-General Jean Decoux from Marshal Philippe Petain, Chief of the French State, on August 20. On that day a communique was issude by the Government-General to the effect that the French law of February 18, 1943, relating to the delegation of authority to the Governor-General, would become effective as from that day.

For some time preparations had been under way for this delegation of authority. In July, General Pierre Modant, Commander in French Indo-China, and Resident-Governor Grandjan were removed from their positions and new appointment to different posts, announced. In the choice of their successors, Governor-General Decoux used his new powers to the full to consolidate his Government. This became evident in his appointments of a new Director-General and Deputy Governor-General which were announced in the latter part of November. This was replaced on December 1 by an Advisory Council.

After the landing of the anti-Axis forces in France, the interruption of communication with the homeland was not unexpected in French Indo-China, and it had been agreed between Marshal Petain and Governor-General Decoux that in the event of such a contingency, full powers of government would be delegated to the latter.

In the meanwhile, the war in East Asia continued to grow in intensity. While the Americans extended their operations in the Pacific, the Japanese Forces made remarkable progress in Central and South China and succeeded in establishing a direct overland connection with French Indo-China.

The attainment of semi-independence and the establishment of the continental route were thus two epoch-making events, in the history of French Indo-China with far-reaching effects not only in the political but also in other spheres.

The establishment of a Provisional Government in France affected the French residents and the Annamese population in French Indo-China in no small measure. The French residents had an imperfect understanding of the new order in France and Europe due to distance and other circumstances. Some of them began to entertain ideas inconsistent with the position of French Indo-China in the Greater East Asia sphere. They did not realize that French Indo-China had no future except as a country of East Asia.

In view of the new situation Ambassador Kenkichi Yoshizawa, Japanese Ambassador to French Indo-China, strengthened the Embassy staff and had Consul-Generals Tsukamoto, Kubota and Nishio come out to assist him. When the new arrangements were completed, he vacated his post in favor of the new Ambassador, Shunichi Matsumoto.

There are also strong Japanese Armed Forces defending bases in French Indo-China. Therefore, whatever may be the military or political situation in East Asia, co-operation between French Indo-China and Japan is irrevocable.

When it seemed that the French elements in French Indo-China were becoming affected by the situation in Europe, the German withdrawal stopped at Germany's frontiers, the Japanese Army in Central and South China pushed on with irresistible force and the Americans suffered heavy reverses off Taiwan and the Philippines. There was now no room for idle dreams on the part of these residents. The opening of the overland route in the middle of December opened their eyes to the true situation, and today French Indo-China occupies the central sector of the continental route, a position which has obvious implications.

Java Encourages Invention

Domei

DJAKARTA, January 1.—The Invention Encouragement Fund has been established by the Japanese Military Administration in Java in order to provide stimulus for the promotion of inventive genius among the local inhabitants. Important effective contrivances by local inhabitants in lengthening the durability of food, for the manufacture of medicines and clothings from indigenous materials, and for the improvement of farm implements and paper-making machines will be awarded prizes from the newly established fund for an indefinite period till their completion.

PRESS COMMENTS

Monday, January 1

AT THE YEAR'S BEGINNING

MAINICHI—Another New Year is welcomed amidst the smoke of battle—the fourth New Year since the start of the War of Greater East Asia. Britain and America thought that the War of Greater East Asia would not be prolonged and that Japan would be finished soon after the War in Europe was over, but they were sadly mistaken.

The Empire of Japan is now welcoming the beginning of its 2605th year in high spirits, as Germany has launched a great offensive on the Western Front. On the other hand, the enemy countries are welcoming the New Year amidst great disappointment. The Christmas of 1944 was the most miserable one in history for our enemies. In the United States, on December 26, goods, which up to Christmas could be bought in the stores were placed on the rationing system. The enemy, though he has an abundance of materials, now has to fight far more extensively and intensively than he had planned. Yet, the enemy is still continuing to fight persistently.

The enemy said that 1943 and 1944 were the years for offensive action, but this calculation proved to be utterly mistaken. As a result, the enemy is worried and is frantic to gain victory. It is also a fact that the enemy intends to make this a year of decisive war. We must be ready to meet the enemy's offensive, and enter a stage of decisive fighting.

IDEOLOGICAL OFFENSIVE

ASAHI—The 2605th year of the Empire is now welcomed, with the nation set for total war. The fighting spirit of the 100,000,000 people is ever strong, and all have pledged to live for the aim of justice.

A total war demands the greatest efforts of every national. In a war in which many nations join together to fight the common enemy, they must be firmly united. It is only upon such a strong foundation that the allied nations can utilize most efficiently their territories, human, and material resources for the war effort.

The most delicate weakness in a combination of nations is that the war aim and interests of the respective countries are seldom similar in nature. The case of the combination of the nations of Greater East Asia is an exception. The nations of Greater East Asia issued the Joint Declaration in November, 1943, thereby pledging themselves to the full execution of the war. As the Burmese delegate to the Assembly of Greater East Asiatic Nations said, the tradition and blood relation of the races of Greater East Asia have contributed to clarify the true situation and bared the false propaganda of the British-American camp.

It is a matter for deep regret that all races of Greater East Asia cannot be brought together under the banner of Greater East Asiatic liberation. The Indian people possesses no arms, and thus are obliged to submit to oppression. Chungking is satisfied with its role as the tool of Britain and America. India is to be saved, but Chungking is to be punished.

Chungking is now facing a serious crisis as a result of the rapid advance of the Japanese Forces. Reports from Chungking indicate that unless aid comes from American by February, the regime will collapse It is at this moment when Chungking is beset with a grave political, economic, and military crisis that ideological warfare against the regime should be intensified. When the enemy is thoroughly beaten militarily, ideological offensives will cut deep into his mind.

The spiritual motive power of Chungking's resistance is racial consciousness. The racial consciousness of Chungking, however, is a narrow and crippled racial consciousness. It can understand that the State must be a racial one, but cannot realize that the world is now forming a cooperative group structure of highly developed states. The lack of this world conception is the fatal defect of the racialism of Chungking. The racialism of Chungking will never bring liberation to East Asia. Thus the strong point in our thought war against Chungking lies in its moral aim. There is no doubt that the China Affair was a war between justice and injustice. Ideologically we are in an absolutely superior position. The outcome of the war is already known. It is therefore desired that the thought offensive be immediately started to break up the false principle of racial self-determination, that is the motive power of Chungking's resistance.

CHILD EVACUEES HAPPY

They Made Their Own Rice-Cakes For New Year Celebrations

The school children who had evacuated from Omori-ku, Tokyo, to Shimohimicho, Toyama Prefecture, started their preparations for the New Year on December 28 when they rolled up their sleeves for the task of pounding boiled rice for rice-cakes.

The children, of whom there are more than 370, looked forward eagerly to New Year Day which they celebrated by partaking of as much rice-cake as their small stomachs could hold as though they were with their parents and by making the New Year resolution of holding on until the War of Greater East Asia is brought to a victorious conclusion.

The rice for the rice-cake for the children was provided by the Bureau of School Inspectors in the Himi district of Toyama Prefecture on consultation with the principals of the national school in the district whose agreed opinion was that the school children from Tokyo Metropolis should have as happy a New Year as is possible under the conditions of a decisive battle.

Quake Rocks N. England

Domei

STOCKHOLM, December 30.—A severe earthquake probably the heaviest experienced by Britain recently shook a wide area in northern England early this morning sending many people rushing from their beds in their night-gowns into shelters in the belief that German bombers had started attacking the area, according to a London dispatch. The shock was centered in the heavily industrialized section between Manchester and Darlington, the report said. The quake began at 1:36 a.m. and increased in intensity for 45 seconds and continued for two minutes.

Creating Industrial Body

Domei

DJAKARTA, January 1.—With the aim of furthering the economic activities of the local inhabitants, the Japanese Military Administration in Java has decided to organize a Regional Industrial Promotion Society in every province, sultanate and special municipality. The new society comprises all local enterprisers as members and will study technical improvement and offer encouragement and advice to the local industrialists.

Thai Assembly Ends

Domei

BANGKOK, December 31.—The special session of the Thai People's Assembly which was convened on December 1 to discuss the 1945-1946 budget was closed yesterday.

RICE FOR WAR WORKERS

People of Yamanashi Make Contributions to Aircraft Plants

The authorities of Yamanashi Prefecture are pushing the movement to have the inhabitants of the prefecture contribute rice to be presented to the workers engaged in the increase of aircraft production.

The drive was suggested to the prefectural authorities by more than 80,000 farmers in Yamanashi Prefecture.

As a result the people of Yamanashi who are responding enthusiastically to the call, are contributing rice at the rate of more than one go per household.

The local farmers' associations are undertaking the collection of the rice contributed, and its shipment.

The rice will be distributed to aircraft factories to be named by the Munitions Ministry.

Mrs. Wang Donates

Domei

NANKING, January 1.—Mrs. Wang Ching-wei, widow of the late President of the National Government of China, donated 5,000,000 yuan to the headquarters of the Japanese Expeditionary Forces in China on December 29, expressing her wish to have the monetary gift used as a fund in building aircraft necessary for the Philippine operations.

GREATER PLANE OUTPUT IS GOAL FOR NEW YEAR

Wholesale Plant Relocation, Comprehensive Processing Of New Resources Urged

Increased production of aircraft should be the primary object of Japan's industrial front during this year and all bottlenecks and obstacles must be overcome in order to achieve this end, states Domei.

Needless to say, the first and last object of Japan's armament industry during 1944 has been the replenishment of air power and it was primarly for this purpose that the Munitions Ministry was established. It is now universal knowledge that all measures taken by the Government were aimed at this sole purpose.

In view of the fact that aircraft production industry is a highly comprehensive matter, the general structure of munitions industry has been so shaped as to contribute to the ultimate objective of increasing aircraft production and this situation will continue to exist, demanding all branches of the armament industry to contribute their share to the realization of this goal.

The amazing victories scored in the Aerial Battle off Taiwan and the Sea Battle off the Philippines were, so to speak, the explosive effect of the cumulative strength of Japan's air power. However, as Navy Minister Admiral Mitsumasa Yonai pointed out in his speech on the war situation delivered at the Imperial Diet on December 27, the air supremacy in the Philippines which the Japanese Forces previously had maintained has of late, been usurped by the enemy on some occasions. Under such circumstances, it is the urgent desire of the 100,000,000 people of Japan to supply the foremost front with sufficient number of superior aircraft and this should be the supreme objective which demands our devoted endeavors.

Of late, enemy air raids on Japan Proper aimed at hampering Japan's munitions production have been intensified. Measures against air raids have been realized rapidly since February, 1944, with close study being made vis-a-vis air defense measures for munitions plants, management of labor during air raids, repairs of damaged establishments and installations and relocations of factories. Inasmuch as enemy air raids are expected surely to be intensified in the future and to grow in scale, more thorough-going counter-measures should be carried out without loss of time. Relocation of factories on a larger-scale is one of the urgent requirements of the moment.

As regards the dispersal of vital plants, it cannot be denied that the authorities have not been quite active enough due to considerations toward the temporary decline in production which might be caused by that action. However, the present war situation is such that will deprecate any such consideration toward the merit and demerit of this vitally necessary measure. What is needed at present is to find out the way how quickly to effect the measure without entailing the possible decrease in production.

Cases are many where relocation of munitions plants have been carried out without hitch and, it may be noted, in all these instances, efforts and enthusiasm on the part of the people concerned have always been the major factor to the success.

Aircraft production and practically all other munitions industries depend on iron, coal and light metals which have been designated as items among the five most vital industries. Especially, light metals occupy the highest position as essential material for aircraft production. As regards the production of light metals, the Government has taken many forceful measures and, as a result, bauxite which is produced abundantly in the Southern Regions and alumina and other related raw materials produced in the Chinese continent have been made available in large quantity. Although the processing of these new resources has been expanded in scale and positive measures have been taken to ensure the quantitative and qualitative superiority of manufactured products, some epoch-making steps seem to be needed if aircraft production is to be bolstered epochally. The same can be said with regard to iron, petroleum and all other mineral resources of Greater East Asia.

Needless to say, the general conditions with regard to labor, transport and materials as they stand now present multitudinous difficulties in the way of increased production and processing of raw materials. As Ginjiro Fujihara, former Munitions Minister, pointed out some time ago, however, bottlenecks are an inevitable phenomenon in wartime. It is, therefore, the inescapable duty of the production front to overcome all difficulties in order to realize the greatest objective of the year.

Patriots in N. China Donated ¥66 Million During the Past Year

Domei

PEKING, December 30.—Japanese residents as well as the Chinese in North China have jointly contributed about ¥66,000,000 to the Soldiers' Welfare, Defense, and Aircraft funds during the past year, it has been revealed by the local military authorities, who declared that this was a manifestation of the contributors' oft-voiced desire to participate more directly in the current war. This achievement on their part is all the more remarkable as North China is already doing yeoman service in the current war as one of the most important granaries and arsenals of the East Asiatic fighting forces.

CHINESE YOUTHS INSPIRED

3 Young Merchants in Java Want To Join Special Attack Corps

Domei

DJAKARTA, December 30.—The heroic deeds of the Special Attack Corps in the Philippine area where the decisive battle of the Pacific War is proceeding are producing on the native inhabitants of Java an effect one of whose indications may be seen in the increase in the number of Indonesian young men anxious to join the corps.

The Chinese merchants in Java, of whom there are 800,000, are as profoundly impressed by the demonstrations of the fighting spirit of the Special Attack Corps as the rest of the Javanese community.

Three young Chinese merchants in Djakarta called on the Japanese authorities on December 27 and asked to join the Special Attack Corps. The three young men, who work in a Japanese business firm, felt the wrongs which have been done by America and Britain to the Asiatics so strongly that they decided that they would devote themselves to the elimination of American and British influence from life in Java and to the defense of the island against American and British aggression.

They made it clear to the authorities that they are determined to conduct a movement to gain the interest of the Chinese merchants in Java in the undertaking they have in view of organizing an air defense unit whose members are willing to blast themselves in the performance of their duties of defending the island.

News and Views

World Into Regional Blocs
By TSURUTARO ADACHI

It has been a long time since the principle of dividing the world into regional blocs became the topic of international politics. Of course, there is no room for doubt that the ideal of "one world—one family" is upright, and it is only natural that we should strictly abide by this ideal. However, in the course of attaining this ideal, we must tackle the difficult problem of regionalism. In other words, in order to secure order and prosperity of the world in the course of this path, it is necessary that we take a step further from the present state of affairs, in which each country forms one bloc, to regionalism which divides the world into groups of countries such as Asia, Europe, America and Oceania, which according to their geographical, racial, cultural and historical standpoints are most natural groupings.

In Japan, this, extremely natural regional division has generally become a common idea while to the peoples of East Asia the famous phrase of Tenshin Okakura, who embodied the words "Asia Is One," has now become a watchword.

Recently the Moscow paper, War and the Working Class, taking up the question of regionalism, is reported to have carried a treatise by Malinin which set forth that the world should be divided into Asiatic, European, African and American blocs—an extremely just way of division. In contrast, Walter Lippmann, the American political commentator, proposes the division of the world on the following basis; firstly, divide Europe into east and west as it is no longer united in fact and secondly, the eastern half is to be within the Soviet sphere of influence while the western half is to be placed within the sphere of the so-called "Atlantic community." One important point in Lippmann's proposal is that the United States wants to secure a voice in Europe under the "Atlantic community" in order to proclaim a right to intervene in European internal affairs.

Lippmann's proposal for the "division of Europe and American intervention in Europe" is apparently based upon the following grounds. In view of the two experiences in which the United States dispatched troops to Europe, the United States asserts in its "realistic" argument that peace in Europe cannot be attained without America's intervention. In short behind Lippmann's ideal lies the principle of force of arms. It is an ideal of "division by forces of arms" in which through oppression and force of arms, eastern Europe is to be placed in the Soviet Union's sphere of influence while western Europe will be placed under the Anglo-Americans.

That Lippmann's division of Europe is unjust is clear beyond a cavil because it is generally admitted that division by force of arms is contrary to modern ideals. Besides for the United States, which is separated from the European bloc by a wide expanse of ocean, to intervene in Europe is also an illusion running counter to these ideals.

The division of the world into regional blocs is doomed to failure if there is to be heedless intervention from outside of each region.

For the goods of a righteous regional bloc principle, we must fight against this mistaken idea that regionalism permits intervention from the outside. It appears that Malinin's treatise in the War and the Working Class, hotly challenges the United States' lust for armed intervention. Anyhow, such a brazenfaced proposal as set forth by Lippmann is almost unprecendented in world history. In all probability world history will put away his proposal in some museum for posterity as the last piece of literature of "imperialism."

SUBMITS ECONOMIC PLANS

Chungking Aims to Encourage Private Enterprises in 1945

Domei

CANTON, December 30.—Chungking held the meeting of the Standing Committee of the National Defense Supreme Commission on Friday, and the Government's plan for economic construction during the next fiscal year was submitted for discussion and approval.

The aim of the economic construction plan is firstly to encourage private enterprises as far as it does not violate the basic rule of capital restriction. Secondly in the utilization of foreign capital, international joint enterprises are to be permitted as a principle, but various forms of enterprises will be allowed as long as they do not lose autonomous nature.

Thirdly, enterprises directly undertaken by the Government are to be postal and telegraphic services, military arsenals, mints, important railway lines, and large hydraulic electric generation enterprises are to be undertaken by the Government, or as joint enterprises of Government and private or foreign capital.

Court Rank Raised

The late Admiral Nobumasa Suyetsugu, Cabinet Councillor and former Home Minister, has been posthumously raised in court rank to the Junior Grade of the Second Court Rank in recognition of his meritorious service in military matters and contributions to the state through participation in various political affairs, it was announced on December 31. Prime Minister General Kuniaki Koiso visited the Suyetsugu home at 9:30 a.m. the same day to express words of condolence.

Uchigasaki Recommended

Members of the House of Representatives' League for the Encouragement of National Education, on December 28, decided to recommend Sakusaburo Uchigasaki, Vice-Speaker of the House of Representatives, as the managing director of the league.

FLOWERS
For All Occasions
Actual cost of delivery will be charged.
U. GOTO
47 Roppongi-cho, Azabu, TOKYO
(At Roppongi Crossing)
Tel. 48-0005, 0803
Closed on 1st and 3rd Sundays of every month.

Classified Ads.

Advertisements or replies to the same by POSTCARD, should be TYPEWRITTEN and accompanied by the nationality, name and address of the sender in Japanese.

Help Wanted

ENGLISH speaking young Japanese lady (or Nisei) as secretary. Apply with curriculum vitae to Box 333, Nippon Times, Tokyo.

Real Estate, Wanted

REAL estate, bought, sold or administered. Apply to Kurosawa Real Estate Agency, 128 Furuichi-cho, Kamata-ku, Tokyo. Tel. Kamata 2817.

For Rent

ELEGANT completely furnished house in Azabu, with telephone and central heating, very comfortable. Please write to Mrs. Watanabe, Midorigaoka, Kutsukake, Karuizawa, Nagano-ken.

IN good located foreign style house in Omori, up to 3 rooms, furnished or unfurnished with use of kitchen. For meals special arrangement can be made. Apply Box 347, Nippon Times, Tokyo.

Wanted to Buy

GRAMOPHONES, records, electric gramophones, radio-gramophones, pianos, organs, accordions, refrigerators, sewing machines, electric razors, foreign furniture, new or used wanted. Attractive prices paid. Please write or phone Rhythm-sha, 16, Jimbo-cho Itchome, Kanda, Tokyo. Tel. Kanda 25-4468.

Instruction

NIPPON MUSIC HIGH SCHOOL. Singing, piano, violin, and other instruments, chorus, ensemble playing, theory, composition. Class and individual teaching by foremost Japanese and foreign professors. Omori-ku, Iriarai 1-chome 386. Phone Omori 06-6149. New term from January 8.

SINGING and vocal art taught carefully by foreign instructor. Apply Tadashiki Hasseiho Gakuin, No. 22, Kasumi-cho, Azabu-ku. Telephone Akasaka (48) 3004.

Professional Notices

DENTAL

HIDEYOSHI Dental Office. Dr. I. Hideyoshi. Bridge and porcelain work, and general dental operations. Hours: 9 a.m. to 6 p.m. Hideyoshi Bldg., 5-chome, Ginza Nishi, on the street leading to the Ginza from the Imperial Hotel side entrance. Tel. Ginza (57) 1210, 3652, 3653.

K. IIZUKA, D.D.S. Specialist in crown, bridge and porcelain work. Office hours: 9 a.m. to 6 p.m. Room 654 (6th floor), Marunouchi Bldg., Tokyo. Tel. Marunouchi 23-0648.

MASSAGE

MASSEUR and masseuse. Will call on appointment. Legation and embassy staff and prominent foreigners are listed among our patrons. Makimura Chiryo-sho, 23 Sakuragawa-cho, Shiba-ku. Tel. Shiba 43-3787.

MEDICAL

HIBIYA HOSPITAL. Surgery, skin and blood diseases. Director, Dr. S. Fukase, M.D. English and German spoken. Hours: 9-11 a.m., 2-5 p.m. 3 minutes from the Imperial Hotel and Shimbashi Station. Tel. Ginza 57-2690.

PROF. Dr. K. Nakajima, skin and blood disease specialist. English, French and German spoken. Hours: 9-12 a.m., 2-6 p.m., mornings only on Sundays and National holidays. 1 Ginza-nishi 5-chome, 2nd floor of Taya Store on street car line from Sukiyabashi, a few blocks from Imperial Hotel side entrance. Tel. Ginza 57-0315.

General

TYPEWRITERS

INABA Typewriter Office, 7 Gofukubashi 3-chome, Nihonbashi-ku, Tokyo. Tel. 24-1951. Foreign and Japanese typewriters, new and used. Accessories. For sale at reasonable prices. Repairing and cleaning. Typewriting in foreign and Japanese languages.

"Victory Is Won by Only Those Who Go Through Severe Ordeals"

THE YASUDA FIRE AND MARINE INSURANCE CO., LTD.

President: S. TOKURA

Head Office:
1-CHOME, OTEMACHI, KOJIMACHI-KU
TOKYO

TOKYO SHIBAURA DENKI K.K.
(Tokyo Shibaura Electric Co., Ltd.)

HOME OFFICE:
No. 2 Ginza Nishi 5-chome, Kyobashi-ku,
TOKYO, NIPPON

Chairman of Board of Directors:
KISABURO YAMAGUCHI
President: TOYOJI TSUMORI

Established: 1904

CAPITAL ¥311,000,000

OVERSEAS OFFICES:
Keijo, Taihoku, Mukden, Peking, Shanghai, Shonan.

The business of our company includes most of our country's electro-industry.

The superiority of its technique, the well-equipped factories and laboratories, and the superior qualities of the various manufactured goods are enjoying world-wide fame.

America and Britain, the Arch-Enemies Of World Humanity, Should Be Wiped Out From the Surface of the Globe.

DAIKEN SANGYO KABUSHIKI KAISHA

(Successors to SANKO Kabusiki Kaisya, KUREHA BOSEKI Kabusiki Kaisya & DAIDO BOEKI Kaisya, Ltd. being amalgamated on Sept. 12, 1944)

CAPITAL: ¥150,000,000

President: CHUBEI ITOH

HEAD OFFICE:
28 Honmati 2-tyome, Higasi-ku, Osaka

TOKYO OFFICE:
18 MARUNOUTI 2-TYOME, KOZIMATI-KU, TOKYO

BRANCHES:
Tokyo, Osaka, Kyoto, Nagoya, Kobe, Amagasaki, Kokura, Taihoku, Takao, Keizyo, Husan, Mukden, Hsinking, Harbin, Dairen, Tientsin, Peking, Tsinan, Tsingtao, Hsuchow, Kalgan, Taiyuan, Shanghai, Hankow, Canton, Hongkong, Hoihow, Yulin, Pasho, Manila, Cebu, Iloilo, Bacolod, Davao, Siain, Tacloban, Djakarta, Soerabaja, Syonan, Medan, Padang, Palembang, Makassar, Mendo, Singaradja, Saigon, Hanoi, Bangkok, Bangnara, Banjermasin, Rangoon, etc.

Business: Import, Export, Shipping, etc.
Industry: Spinning, Textiles, Chemicals, Machines, Metals, Mining, Sewing, etc.

Nippon Times

Published by The Nippon Times, Ltd.

TOKYO OFFICE:
[illegible] Uchisaiwai-cho, Kojimachi-ku. Central P.O. Box 144, 352, 358. Telephone: Ginza (57) 383, 403, 5857, [illegible]. Cable Address: "Times Tokyo". [illegible] Tokyo 64848.

BRANCH OFFICES:
[illegible] Dojima Bldg. Tel. Kita 1770. [illegible] Naniwa-machi, Kobe-ku, [illegible] 3970-7.

SUBSCRIPTION RATES
[illegible] month, ¥6.00; six months, [illegible]; one year, ¥68.00. Postage [illegible] to all parts of the Japanese [illegible], Manchoukuo, China and the [illegible] Regions. For foreign countries, postage ¥1.50 per month extra. [illegible] subscriptions are payable in advance.

Publisher, and Printer
SHOICHI KAWAMURA

TOKYO, TUESDAY, JANUARY 2, 1945

British Hypocrisy Toward Greece

Prime Minister Winston Churchill's speech at the conference held at Athens recently in a vain attempt to end the civil strife in Greece, in which he declared that Britain seeks no material advantages from Greece, is a typical manifestation of British hypocrisy. How hollow was his statement that all Britain was interested in was the freedom and happiness of the Greek people and that the form of government they might choose is entirely their own affair.

The very fact that the British had reached an agreement with the Soviet Union and the United States under which Greece was marked out as a British sphere of influence is a blunt refutation of Churchill's double-tongued statements. The imposition of British influence over Greece is ipso facto an act which clearly deprives the Greek people of their right of independence. It means that their domestic and foreign affairs must be run against the imperialistic interests of Britain. No matter what form of government is finally set up in Greece, that government cannot be sovereign and independent but must be amenable and subservient to Britain. There obviously can be no government set up in Greece which would be anti-British in character.

These are cold realities which cannot be altered even by Churchill's glib promise that a free and general election will be held in Greece sometime in the future to decide on the form of government. The presence of British troops in Greece who are there presumably with the approval of both President Franklin Roosevelt and Premier Josef Stalin will obviously prevent the establishment of a regime which would not be agreeable to Britain. Thus, in the light of this situation, the agreement reached between the ELAS junta and the pro-British Papandreou faction in Greece for the establishment of a regency can mean very little. It merely means the substitution of pro-British King George II for a vicarious regime which cannot be more independent than the King himself.

To state otherwise would be to talk through the hat. The interests of British imperialism require that there shall not be pro-Soviet "murder gangs and ruffians" in the seat of power in Greece. The interests of British imperialism also require that the British, in the future shall have free access to naval and air bases in Greece for the purpose of defending their line of communications to India and that Greece shall not extend similar privileges to any other foreign Power. Such is the lot of the Greek people from whom Churchill claims he wants nothing more than "their friendship."

Whither France?

Franco-Soviet relations as recently established by the De Gaullist regime and Franco-Soviet relations as they existed before the war are clearly different in character. Despite the signing of various treaties between the two countries, Franco-Soviet relations before the war did not represent fundamentally any friendship or cooperation. In fact, the French [illegible] was even rather anti-Soviet, [illegible] France politically and economically was completely under British control and was playing the role of a policeman for Britain's traditional anti-Soviet policy in Europe.

De Gaulle's recent visit to Moscow may be viewed from one point of view as having no connection with the British policy. The British are directing their efforts toward propagandizing the visit of De Gaulle to Moscow as if it were a foundation stone for the expansion and strengthening of Anglo-Soviet relations, but the fact is that the British at heart do not regard this visit at all favorably. Britain does not regard the visit with favor because she knows that it was based to a considerable extent on French internal political needs.

Until it entered France, the De Gaullist regime was a complete British puppet. But when he finally entered France, De Gaulle found new unexpectedly anti-British and pro-Soviet influences. De Gaulle, who had only the prewar political trend in France in mind, could not avoid being struck by this remarkable change in the internal situation. These influences had developed so powerfully that it was thought that the De Gaullist regime would not be able to survive if it opposed this anti-British, pro-Soviet trend. Thus was De Gaulle faced with the the need swiftly to change his policy. At least a part of the aims of De Gaulle's hasty visit to Moscow was to make his regime conform to such a trend which he saw he could not afford to oppose. But such a move, of course, is not welcomed by Britain.

By the signing of the Franco-Soviet pact, De Gaulle was apparently able to patch up the situation temporarily. But the solution of the most difficult question lies still in the future. That is the question as to whether the De Gaullist regime, which because of its background of dependence on British support possesses a traditionally pro-British character, can effect enough of a change as to be acceptable to the new revolutionary elements inside France. The De Gaullist regime in the very near future will stand at the crossroads of having to choose between pro-Britishism or pro-Sovietism diplomatically, and between Anglo-American democracy or Communism internally. Whither France? The fact that France is caught between the two great forces of Britain and the Soviet Union may become the cause of bringing about her disruption.

A Year Ago Today
January 2, 1944

Regarding the results scored by the German air force on the Eastern Front during December last year, Reich military authorities announced that 451 Soviet planes were destroyed of which 399 were shot down in aerial combats, 139 by anti-aircraft batteries and the remainder were blasted on the airfields. It was further revealed that 57 German planes were lost during December.

• • •

Lieutenant General Ira C. Eaker, Commander of the United States 8th Air Corps in England, announced that in 1943 the 8th Air Corps dropped 55,000 tons of bombs on the European Continent.

• • •

German forces shot down 201 anti-Axis planes on the Italian front during December in aerial battles and by anti-aircraft artillery, German military authorities announced.

• • •

Bolivian Ambassador to Uraguay, Valdes, lodged a strong protest with the Pan-American Defense Committee regarding the proposal made by Vice-President Alberto Guani of Uraguay which said that recognition of the new Government of Bolivia was still premature, and at the same time announced the withdrawal of Bolivia from the committee.

• • •

One United States B-24 bomber made a foced landing on the Lisbon airfield of Portello. The aircraft had visible marks indicating that it had been hit by shots. The plane was confiscated and the crew of five men were interned.

Fruits of Wisdom

It is hard for a haughty man ever to forgive one that has caught him in a fault, and whom he knows has reason to complain of him: his resentment never subsides till he has regained the advantage he has lost, and found means to make the other do him equal wrong.—Bruyere.

• • •

Humanity is never so beautiful as when praying for forgiveness, or else forgiving another.—Richter.

• • •

An act of goodness is of itself an act of happiness. No reward coming after the event can compare with the sweet reward that went with it.—Maurice Maeterlinck.

• • •

True happiness renders men kind and sensible; and that happiness is always shared with others.—Montesquieu.

WORLD'S GOLD OUTPUT

Production Has Been on Decrease Since 1940

(By A SPECIAL CONTRIBUTOR)

What is the gold output of the world at the present time? That is a question which I shall attempt to answer in the present article. The July number of the Century published in Shanghai gives the following data on the gold production of the world from 1931 to 1943.

Year	Gold Output (in 1,000 kg.)
1931	680
1932	740
1933	785
1934	740
1935	930
1936	1,016
1937	1,075
1938	1,145
1939	1,215
1940	1,340
1941	1,310
1942	1,190
1943 (approximate)	990

After the commencement of the world-wide economic depression in 1931, the world production of gold rapidly increased, probably due to the fact that the cost of gold production went down with the prices. This at least must have been the principal reason.

Whatever may have been the real cause of this continuous rise in the gold production of the world, during the period of five years from the beginning of the second World War to 1943, the total of 6,045,000 kilograms of gold was produced throughout the whole world. This amount represents in American dollars approximately $68,000,000,000.

But what is noteworthy in this connection is the fact that this increase in the gold production of the world began to decline after 1940, the peak year. As the period under consideration is not peace time, we cannot ascribe this gradual decline to the rise of production cost. A Reuter correspondent gives the following explanation for this phenomenon.

Why Gold Output Declined

"Gold production was formerly the principal means of payment for indispensable imports from territories other than pound area but lately it lost its importance due mainly to two reasons, namely, the enforcement of the Lend-Lease arrangements and the pooling of the resources of the anti-Axis nations. As a result, the members of the British Commonwealth, with the exception of the Union of South Africa, began to direct their efforts toward the restriction, rather than the encouragement, of gold production. In both Australia and Canada, labor in gold mines was diverted to increasing production of other minerals. A similar policy has been also followed in the United States where the materials and facilities of gold mines were taken over and transferred to other industries. When the production of gold is resumed after the war, there will be some delay before a large amount of gold is produced. Since the production of gold is the central factor of its economy, the Union of South Africa, however, has been endeavoring to maintain its output as far as possible, but this has been impossible of accomplishment."

Regarding the whereabouts of the gold produced in the world, it is not difficult to imagine that at least one-half of the total amount is now accumulated in the chests of the central banks of the anti-Axis nations. But since the gold reserves of the European countries have not increased, increases in other countries, especially in the United States, must have been pronounced. The amount of gold reserves in the United States increased from $14,500,000,000 at the end of 1938 to $22,000,000,000 at the end of 1940, an increase of $7,500,000,000 during only two years, and there is no doubt that the amount has further increased in the subsequent years.

Even prior to the outbreak of World War II, the distribution of gold throughout the world was unbalanced and this has been further intensified under the wartime conditions. Thus, the future of gold constitutes a serious issue.

The Reuter correspondent further discusses as follows:

"The value of gold was recognized by Bretton Woods Monetary Conference and since both the United States and Britain are showing a great concern about gold, it will undoubtedly have a role of considerable importance after the war. The United States today has in possession a vast amount of gold. The permanent sterile hoarding of such a vast amount of gold is inconceivable and with the restoration of normal trade, a more equal distribution of gold must take place. However, this may be wishful thinking. How can we expect the restoration of normal trade that will bring about a more equitable distribution of gold? The question by no means is a simple one. Thus, it will be inevitable that the sterile hoarding of gold by the United States and the scarcity of gold in Britain will give rise to a mutual opposition between these nations by which the postwar economy of the world will be disturbed."

THE PRINCIPLE OF NATIONALITY IN GREATER EAST ASIA

By JAPONICUS

II

Prior to the outbreak of the present war there were 10 sovereignties in Greater East Asia. Of these only four—Japan, China, Manchoukuo, and Thailand—belonged to indigenous nations. The rest were held by Western powers with their homelands in Europe or North America—Britain, France, Holland, Portugal, the U.S.A. and the U.S.S.R. All these powers acquired their territories by more or less violent expansion during the centuries subsequent to the arrival of a Portuguese squadron in Malacca in 1509. In the case of Siberia, the Russians, like the English in Canada or Australia, settled on an area previously uncultivated, and they now form the great majority of the population there. The possessions of other Western powers were regions already well populated, and the ruling nations were represented by handfuls of administrators, soldiers, capitalist entrepreneurs, and technicians, who formed insignificant minorities among the native inhabitants. The independent native states have constantly been menaced by Western expansionism. During the period of her international troubles in the sixties of the last century, Japan herself was generally expected to fall to pieces and to be eaten up by Western imperialism. She was subjected to a system of extra-territoriality which was abolished only after the turn of the century. Thailand in the eighties and nineties luckily escaped the fate of Burma and Annam, because Britain and France could not agree on a division of the spoils and preferred to leave the country as a buffer state. She was, however, deprived of her outlying possessions by Britain and France, and a revision of an extra-territoriality treaty cost her the cession to Britain of her suzerainty over the Malay principalities of Kedah, Kelantan, Trengganu and Perlis. Since the Anglo-Chinese Opium War, China was subjected to the great European drive against her territory. She had to cede Hongkong to Britain in 1841. France annexed Cochin-China in 1862, established protectorates over Cambodia in 1863, and over Annam and Tonking previously under Chinese suzerainty after the Franco-Chinese war in 1885. All countries north of the Amur were ceded to Russia in 1858, the territory east of Usuri down to the Korean border, including the side of the future Vladivostok, was ceded in 1860. Besides these outright cessions of territory she was subjected to the most elaborate and complicated mechanism of domination, such as leased territories, concessions and settlements, the foreign gunboats in inland waters, legation guards, garrisons, spheres of influence, control of customs, railways and postal service administration, the railway zone system, as well as consular jurisdiction.

Among the nations and peoples under the rule of Western masters, which comprised a multitude of races in various stages of cultural and economic development, there were at least four important nationalities which had aspired for political independence. The Burmese undoubtedly constituted such a nationality and demanded emancipation from the British rule. She was fighting Britain since 1824 and indeed the War of Greater East Asia is called the Fourth Anglo-Burmese war. Java and the detached island of Madura, although only a little over one-fifteenth of the Dutch East Indian Empire, contained more than two-thirds of its total population. Three different languages are spoken, Sundanese in the west and Javanese in the east of Java and Madurese in Madura. However, they enjoyed a common civilization in the Islands. The Javanese latiori sensu, if not the Indonesians as a whole, are conscious of their nationality and have vigorously expressed their desire to become independent from the Dutch rule. There has been a nationalistic tendency among the Annamese. The Filipinos, though largely Malayan in race, were mostly converted to Christianity and on the whole their culture and mentality have perhaps been more occidentalized than any other Oriental race. They do not, however, like an alien rule, either Spanish or American, and independence movements have continued since the early days of Spanish administration. Among independent countries, Thailand, though developing as a modern state, never forgot the cruel amputation effected by Britain and France. In China, especially since the rise of the Kuomintang, the recovery of "national rights" has constituted one of her major objectives.

In order to satisfy in part nationalistic aspirations, the British adopted a policy of granting a measure of self-government to Burma as well as to India and the Dutch followed the example by granting limited self-government to Java by the Netherlands India Constitution of 1925. But in view of the "prestige" psychology which characterizes the attitude of Western rulers toward Oriental races, nobody believed that these concessions would terminate in independence or even in the "dominion status" which was granted by Britain to her colonies inhabited by white races. It was clear that the European rulers would, unless forced to do so, never let loose their grip on their colonial spoils, and that in the face of nationalist movements they assumed, so to speak, a "dug in" attitude to perpetuate their rule. It was, therefore, a shock to them when by an American Act of Congress the Philippines was made in 1934 a "Commonwealth" with an elected President and an American Commissioner, and when it was intimated a sovereign "Philippine Republic" was to come into being in 1946. The legislation was enacted through logrolling by a strange combination of anti-imperialistic liberals, sugar interests demanding the Philippines to be placed outside of the American tariff wall, and labor unions opposed to Filipino immigration. But the reservations mentioned in the Act, as well as the general trend of American Far Eastern Policy, made it look unlikely that the Americans would leave the Philippines for good and all in 1946. For she never ceased to champion the Open Door Policy for China, which was, as testified by her own historians, "a form of interventionalism in China" (Tyler Dennet) and "A cloak for imperialistic designs" (Charles A. Beard), and "assistance" to China by American financial capital was generally interpreted according to the canons of Western international politics as synonymous with the intensification of economic penetration which was the initial step to political control.

This is not the place to tell the story of the growth of Japan's nationalism. It may, however, be pointed out that her speedy reforms, political, economic, and military along occidental lines, were stimulated and accelerated by the pressure of the West. Just fears were entertained of her colonization or semi-colonization by Western powers similar to that which was steadily going on in the neighboring countries. There was also a just sense of disgrace caused by unequal treaties imposed upon her. As Viscount Ishii, the veteran diplomat, pointed out, Japan's foreign policy has, therefore, been based on two main objectives: security and equarity. To secure her nation against the designs of Western imperialism was naturally her major concern. As a proud Oriental nation she also resented the discriminatory treatment accorded by Western powers as well to herself as to Oriental races in general. It is no wonder, therefore, that Japan endeavored to have the principle of racial equality adopted at the Versailles Conference of 1919, and that in the Great East Asian Joint Declaration which she sponsored, the abolition of racial discriminations throughout the world is specially mentioned as one of the ideals to be striven after by the countries of Greater East Asia.

So far as Japan's Continental policy is concerned, it must be admitted that her interpretation of security was lacking in clarity and was not free from ambiguities and contradictions.

On the one hand, it has always been realized by Japan's statesmen that Sino-Japanese amity and collaboration was fundamental for the protection of Japan's own security against Western aggression. Hirano, Kido and Katsu in the pre-Restoration Period, Iwakura at the time of the Korean Uprising, and Okuma and Shimizu after the Sino-Japanese War when there was danger of a partition of China by Western powers, all realized and voiced the importance of Sino-Japanese collaboration for the security of Japan as well as of China which was inseparable. It may also be noticed that M. Boissonade, a most powerful foreign adviser to the Meiji Government, expressed the same idea by saying in a letter of August, 1882, addressed to Inoue, Councillor of State, "... China, even if she takos up arms against Japan, has no intention of doing harm to your country to the extent that Russia does, for China is destined by nature to be an ally of Japan. The peoples of the two countries are of the same race, employ the same letters and share the same customs and religion. Their cooperation is all the more necessary as the Westerners today regard your nation and China as their inferiors and never as their equals. If you consider the general trend of world affairs, it is evident that the East can compete with the West only through the cooperation of Japan and China. If the two countries do not unite, the East will have to face a collapse. That is why cooperation is vitally important". It was not only the Japanese leaders who felt the necessity of Sino-Japanese joint collaboration, but the feeling was most eloquently shared by Sun Yat-sen, the Father of the Chinese Republic, in his memorable address on Great Asianism delivered at Kobe on November 28, 1924.

On the other hand, the actual course of Sino-Japanese relations since the Restoration down to the China Affair was anything but smooth. Japan's China policy struck some observers as fluctuating, sometimes pursuing the path of collaboration on a basis of equality, sometimes suggesting Asiatic Monroeism, and at times following the precedent set by European imperialists. It may, however, be noticed that the current "bad group" interpretation of this vacillation in terms of the conflicts between the "military" and "civilian" groups is just as superficial as a "bad man" interpretation of history generally. Fundamentally, this vacillation was, we submit, due to two causes. In the first place, a general survey of world politics reveals that the turbulant East Asian politics was but a sideshow to the greater historic drama of power-politics played in the Western world. The deeper causes of the Sino-Japanese War of 1894-5 and the Russo-Japanese War of 1904-5, for instance, are to be sought in that balance of power which motivated the policies of major European powers. And it must also be noted that the character of the Far Eastern policy of European powers largely determined by the exigencies of the development of their economic system, which tended to necessitate the semi-colonization of a country like China. In the second place, against the foregoing political and economic backgrounds, a sharp contrast developed between Japan and China in the degree of modernization of their economic and political systems. Japan through her earlier awakening to the general world situation, modernized her political, military and economic facades much more quickly and emerged as a "great Power", while China steadily trod the road to semi-colonization. It was in such circumstances that Japan's statesmen had to interpret her own policy as to security. They had to meet the requirements of her ever-expanding industries and especially when the closed door policy of Western powers was strengthened, she had to look mainly to China. They had to secure Japan's position as a great Power against the Western powers and look at the East Asian situation strategically. Especially, they saw the serious danger to her security in a trend toward the partition of China. She was, however, not militarily strong enough openly to declare Asiatic Monroeism or to champion the cause of freedom for Asian nations. Such a policy would have been met by a coalition of Western powers against herself. These complex factors account for the shifting policies pursued by Japanese statesmen in the past. Whatever the causes, this vacillation was unfortunate, for while Japan's rise as a great power inspiried hopes of freedom and independence in the hearts of Asiatic nations, it sometimes created suspicions as to her motives, whether her objective was "Asia for the Asiatics" or "Asia for the Japanese." Indeed, these fluctuation caused Bertrand Russell to say, "Japan, driven by her two incompatible ambitions, has been playing a double role—a champion for the security of Asia against Western aggression, and an exploiter of the Continent after the manner of the white peoples."

The War of Greater East Asia was a momentous occasion when the ultimate liquidation of this contradiction was effected in the Japanese policy. The New China Policy indicated such liquidation and the Greater East Asia Joint Declaration sponsored by Japan extended the same policy to Greater East Asia in general. This policy has, moreover, been realized in more concrete action such as the retrocession of her extra-territorial privileges to China, the grant of independence to Burma and the Philippines, the restoration of her lost territories to Thailand, the declaration to place the Andaman and Nicobar Islands under the jurisdiction of the Provisional Government of Azad Hind, and the promise given to grant independence to Indonesia.

What do all these actions signify in relation to Japanese nationalism It signifies that she sees her own security in the building up of invigorated national states in East Asia. She has come to see clearly that there is no security for herself, if she alone is strong and the other neighboring peoples remain weak. This signifies that Japan repudiates an Imperialistic Continental policy.

Western nationalistic movements in the 19th and 20th centuries took place in substantially the same cultural area. Asia, however, has been under the domination of Western masters different in race and culture. The ideology both "dug out" imperialism of European powers and the grandiose Rooseveltian Imperialism vis-a-vis Asia are both deeply tinged with a racial and cultural superiority complex. For the suppression of Asian nationalism and the keeping or the placing of Asiatic people under domination, it is, therefore, imperative for Western imperialists to crush the Japanese, who alone among Asian races are "impudent" enough effectively to demand equality with the white nations, and who now serve as the Spearhead of Asiatic nationalism, so dangerous to their domination of Asia. That is, by the way, the reason why the future of Asiatic nationalism largely depends on the outcome of the present war.

Too Fast on the Draw

"Does your wife have an allowance?"

"We tried it but it didn't work."

"How was that?"

"She always spent it before I could borrow it back."

JAPAN'S 'FLEET IN BEING' STRATEGY

Japanese Navy Waits for Decisive Opportunity

By MASANORI ITO
(From Contemporary Japan)

II

During the Russo-Japanese War of 1904-5, the Russian admirals pursued the "fleet in being" strategy. However, this strategy adopted by Admiral Witgeft, commander of the Russian Port Arthur Fleet, met with a dismal failure, for his fleet shared the same fate with the Port Arthur fortress. On the other hand, Admiral Makarov, who was commander of the Russian Port Arthur Fleet before him, executed this strategy somewhat effectively, for he conducted "attack and get away" operations against the Japanese Fleet at times. In the last World War, though the German High Sea Fleet adopted the "fleet in being" strategy, it could not successfully translate it into action from the latter half of 1916. In the current European war, prior to the defection of the Badoglio Cabinet, the Italian Navy failed to manipulate its "fleet in being" tactics in its favor. When so much importance has been attached to the "fleet in being" strategy, it is right and proper that Japan should adopt the same tactics to circumvent the coming naval move of the United States in the Pacific. It may be added that the term "fleet in being" was first used by Admiral Arthur Herbert, commander-in-chief of the British Fleet, in vindicating his action when he was court-martialled in 1690 during the Anglo-French War as the result of his defeat off Beachy Head at the hands of Admiral Tourville, commander-in-chief of the French Fleet. After the defeat, Admiral Herbert withdrew his fleet and retired to the Thames, thus avoiding a decisive engagement with the French Navy. Defending his action before the court-martial, Admiral Herbert said in substance:

It is true that the French made no great advantage of their victory, though they saddled us with the great task of keeping up the militia. Had I fought otherwise, our fleet would have been totally lost and the whole kingdom would have been open to invasion. What then would have become of us in the absence of His Majesty and most of the land force? As it was, most men were in fear that the French would invade. But I was always of another opinion, for I always said that, whilst we had a fleet in being, they would not dare to make an attempt.

Strategy Adopted by England

At the time of the Anglo-French War of 1690, England possessed three fleets, of which the main fleet of thirty-six ships was commanded by Admiral Herbert, the second fleet of sixteen ships by Admiral Killigrew and the third fleet of eight ships by Admiral Shovel. As France planned an invasion of England, the question of maintaining the command over the English Channel became imperative for the latter. Unfortunately, however, the French were blessed with more ships than the English. France had two fleets, of which the main fleet of fifty ships commanded by Admiral Tourville began operating in the English Channel, while the second fleet of twenty-four ships commanded by Admiral Chateau-Renault moved to the Mediterranean Sea. And when the British second fleet of sixteen ships sailed for the Mediterranean for action, the French second fleet avoiding contact with it sailed north and joined the main fleet. Thus the numerical strength of the main French fleet swelled to seventy-four ships as against the thirty-six of Admiral Herbert's. The increased French fleet pressed so hard on the English coast that England had to borrow more than 10 ships from the Netherlands, who was her ally. This made the British fleet commanded by Admiral Herbert some fifty in number, but it was no match for the numerically superior French fleet. Hence Admiral Herbert's defeat off Beachy Head and his withdrawal to the mouth of the Thames River where he waited for the return of the fleets of Admirals Killigrew and Shovel. This withdrawal worked out as an advantage for England to repulse a probable French invasion attempt, as well as to engage the French fleet in a decisive battle had it tried to sail into English waters. It was on account of the "fleet in being" strategy adopted by Admiral Herbert that England staved off a probable French invasion.

Lately, arguments for and against this strategy have been advanced. For instance, Admiral Sir Cyprian Bridge, noted British naval strategist, writes in the Encyclopaedia Britannica: "The principle of the 'fleet in being' lies at the bottom of all sound strategies." In contrast, Admiral Mahan, famed American naval strategist, opines that the "fleet in being strategy has apparently undergone an extreme misconception." Without trying to analyze the extent of the merits of the "fleet in being" strategy, suffice it to say that, so far as Japan is concerned, the pursuance of this tactics at the present stage of truculent warfare, when the American Pacific Fleet is operating not very far from the aorta of her defense line, is decidedly the most sound move. Therefore, Japan's "fleet in being" strategy is based on the principle of sound strategy. The moment a satisfactory opportunity crops up the American Pacific Fleet can rest assured that the mainbody of the Japanese Navy will immediately sally forth to engage it in a large-scale decisive combat.

(End)

ECONOMIC FUTURE OF U.S.

America Not Prepared to Force Claims in Europe

III

Everyone knows that the present war would not have broken out if the pact of August 23, 1939 between Germany and the Soviet Union was not signed. If there were any sympathizers with the Soviets at that time, they certainly disappeared after that date. We all recall how Roosevelt had unanimous national approval when he said that 98 per cent of American sympathies during that winter were for the Soviet Union. But after Pearl Harbor all became aware of the necessity for American rearming which could be accomplished only if the Soviets continued fighting.

Firstly, America was shocked and surprised when they started arming. At last the Soviets became the real heroes. Maxim Litvinov disappeared from the political world soon after the Munich agreement but reappeared as Soviet Ambassador to Washington and became a most celebrated diplomat.

Marshal Josef Stalin, with President Roosevelt and Prime Minister Winston Churchill became the most popular figures in America but the people continued to disapprove of American Communists. How does America look on the Soviet Union at the present time? The Soviet Union is a great and proud nation and has much in common with America and both feel that they have been called upon to build a new world and a new society. The two countries cover immense portions of the globe and both of them possess unlimited natural resources.

Believe in Future

The rising curve of production belongs technically to both American and Soviet systems. Both America and the Soviet Union believe in the future and, contrary to old and worn-out ideas of the nations of Europe, think that history lies before them. Americans feel that the Soviet Union is safeguarding her position by not trusting other European nations. She concluded an alliance with Germany because, in 1938 in Munich, not only was Czechoslovakia left at Germany's mercy by the great Democracies, but also the Soviet Union.

For the Soviets, however, the pact was only a temporary one necessitated by force of circumstances. Today, one cannot think of any organized world collaboration without Soviet participation. The Soviet Constitution is the most democratic in the world. But there are also a number of other questions. More than 10 per cent of the American nation is ready to sell half of Europe to the Soviets. In that 10 per cent are included a number of very powerful journalists, writers, intellectuals and men of finance. But what about the other 90 per cent? These believe in progressive development in the Soviet Union and the realization of individual freedom. But that hope is being weakened by current events.

Support Atlantic Charter

Poland, Finland and other Baltic states are enjoying the sympathy of the American nation because 5,000,000 Poles with 10 representatives in Congress—are living in the United States. The American nation believes firmly in the Atlantic Charter and none of the politicians has dared to declare himself against its principles. This is certainly true in England where Churchill and Foreign Secretary Anthony Eden and even the Times, are showing a tendency toward a more realistic policy.

America cannot be forced to act against her will but the weakness of Roosevelt as well as the U.S. State Department in negotiations with the Soviet Union lies in the fact that America is not prepared to apply force to her claims in Europe. American opinion, at least in the coming years, will not be expected to approve of war with the Soviet Union for whatever reasons which might be advanced concerning the European continent. It will not be possible for any American Government to maintain an occupational army in Europe for any length of time. When the war is over, the soldiers will want to go home and mothers and wives will desire to claim their sons or husbands. The Government in America cannot go against these people's elementary claims. What America can offer the Soviet Union is honest sympathy and reliable collaboration in the East as well as in the West and a guarantee of peace plus technical assistance and capital for a rapid reconstruction of war devastated regions in the Soviet Union.

(End)